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75th ANNIVERSARY

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EIGHTH ANNUAL MAJOR APPLIANCE STATISTICAL & MARKETING REPORT

Consumers are being drawn to high-quality, efficient appliances, but overall shipments are expected to plummet this year

The change is coming. Slowly but surely, consumers are becoming more aware that, in the long run, it's to their advantage to buy better-quality, more-efficient appliances.

More units shipped this year in the dishwasher market, for example, will have energy-saving cycles—93 percent of them, compared with 90 percent in 1981.

More air conditioners will sport high E.E.R. ratings in 1982—47.3 percent, a percentage point gain of 3.0 over the previous year.

Of the washers shipped this year, greater numbers will feature electronic controls—9.7 percent, up from 5.0 percent in 1981. Dryers, too, are moving in this direction. Electronic controls will be evident on 9.3 percent of the units received by retailers this year, a gain of 4.3 percentage points.

As for refrigerators, 86.8 percent of those shipped this year will sport energy-saving devices, a jump of 1.8 percentage points.

Shipments are down

Nevertheless, gains in this direction have not been strong enough to overcome the generally weak retail demand for appliances and the resultant decline in manufacturers' shipments in all areas.

Not one category in major appliances is expected to show a gain in shipments this year—not even microwave ovens (expected to decline by 6.1 percent).

Certainly the slump in the builder's market has taken its toll, hurting especially the production of refrigerators, ranges, central air treatment systems and dishwashers, all of which depend on new home starts for a significant percentage of sales.

The remodeling market has picked up some of the slack, but this year, said suppliers, even this "just hasn't been what we thought it would be."

Consumers simply have fewer dollars at their disposal, and kitchen remodeling is not an inexpensive proposition. Just the replacement of a large refrigerator, for example, can strap a consumer for $1,000 or more. Remodeling an entire kitchen can *easily* run over $10,000.

Certainly, there's little doubt that when an appliance breaks consumers can't manage for long without, say, a refrigerator or a washing machine. But manufacturers have long lamented the fact that if just one burner is working on a range, some consumers will postpone a purchase. Today, for many buyers, a room air conditioner or microwave oven is simply an unnecessary luxury as long as dollars remain tight.

And there are no major styling changes to make old appliances at least appear obsolete.

Suppliers have done a great job building better-quality, energy-efficient products. But they don't look very, if any, different from the refrigerators, dishwashers and ranges on the market 15 years ago. Changing aesthetics are certainly not generating many sales.

And if an appliance should malfunction, the going prices of today's appliances can still deter purchases in many instances.

Granted, service costs have risen too. But even a $100 repair bill may appear more palatable to a budget-conscious consumer than a $400 bill for a new washer, even though it makes less sense in the long run.

Furthermore, several manufacturers are now making an effort to encourage consumers to handle their own repairs, providing literature that instructs the buying public about the warning signals of a potential malfunction and about how to fix it on their own.

Programs like General Electric's Quick Fix System are geared to the estimated 40 percent of the market that now repairs its own appliances. While this is probably quite commendable from a consumer point of view, and it might increase the market share of the firms offering the programs, it will also, inevitably, keep more appliances operating longer, decreasing replacement sales.

In addition, some retailers and suppliers are pushing more service contracts. Again, while there are benefits to be realized from such programs, these too will serve to give appliances a longer life expectancy.

Hits rock bottom?

But all is not gloom and doom. There are indications this fall that the skid in appliance shipments may, at last, have hit rock bottom.

Interest rates have started to drop and a stronger rate of housing starts is anticipated for 1983. A moderate growth rate is being predicted by some economists for the coming year, spurred by what they hope will be a stronger economy. Once that activity begins, there will be more shipments of appliances to supply that market segment.

But what about the replacement market? Will that segment also rebound? Probably not to previous levels, at least not if the domestic industry continues to offer only the same types of appliances it has for the past several years.

No doubt, some product features will continue to be improved. But at the same time, electronic controls, for example, do not make the product's performance so drastically better that a consumer would be spurred to purchase a new unit. The same holds true for better insulation, pilotless ignition and most of the other advanced features which many of today's appliances sport.

What manufacturers should be concerned about are those market segments which are not being addressed by today's offerings.

There are customers in urban areas who genuinely need to replace 11- and 12-cu.-ft. refrigerators with similarly sized models. But while the buyer may want a fully featured unit, none are available from domestic suppliers in this size range.

Instead, it's the foreign suppliers and/or importers who are taking the initiative here. As a result, they may ultimately control this part of the market.

The Japanese have already captured a large share of the automobile, consumer electronics and microwave oven markets in this country. In white goods, however, their share is estimated at around one percent.

But drawn by a lack of response from domestic suppliers, they may step in to fill the gap in full-featured, space-saving appliances. If U.S. suppliers don't respond, they may find it hard to regain a market once it has been lost to the competition.

After all, in Japan, smaller living spaces, hence smaller appliances, are already the rule. Indications are, the U.S. is not far behind.

Challenges abound

What we're trying to say is that the major appliance industry is ripe for a rebound. But it's never going to return to the world it knew prior to the Eighties. That world, if not already gone, is fading fast.

There's a new order out there, one that calls for a new way of thinking. Innovative products that fit today's styles of living, today's needs, must be developed. Imagination is called for, both on the part of the manufacturers that make the products and the retailers that sell them.

—**Nancy Markov**
managing editor/major appliances

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STATISTICAL MATTER for this survey was collected and compiled by **Selma Book**, market research manager, and **Roberta Janasz**, research associate.

EIGHTH ANNUAL
MAJOR APPLIANCE
STATISTICAL & MARKETING
REPORT

Cooking

Microwave oven shipments should register a 6.1% decline; consumer cutbacks in spending contribute to slowdown

Microwave ovens, the star of the appliance industry and the only category to show significant gains annually for the past few years, are not expected to even maintain 1981 shipment levels this year. Instead, the industry is expected to see a decline of 6.1 percent, to 4,138,000 units.

A year ago, suppliers were projecting that 1981 shipments would surpass 4.5 million units. However, the slowing sales rate, which became evident around the fourth quarter of last year (1981 shipments were 4,407,000 units), has continued throughout most of 1982. Even so, this year's fourth quarter gift-giving activity may add some bonus volume to this category.

Certainly, consumer cutbacks in spending have contributed to the slowdown. They "need" a range to cook with, but a microwave oven is still a luxury for many.

Cooking appliances, total factory shipments

	1982	1981	% of Change
Ranges, electric, total	2,028,000	2,413,000	−16.0%
Free-standing	1,536,000	1,852,000	−17.1%
All others, total	492,000	561,000	−12.3%
Slide-in	109,000	126,000	−13.5%
Drop-in	93,000	109,000	−14.7%
Cooktop	148,000	166,000	−10.9%
Built-in wall oven	142,000	160,000	−11.3%
Ranges, gas, total	1,422,000	1,501,000	−5.3%
Free-standing	1,242,000	1,306,000	−4.9%
All others, total	180,000	195,000	−7.7%
Smoothtop ranges	102,000	134,000	−23.9%
Microwave ovens, total	4,138,000	4,407,000	−6.1%
Countertop	3,891,000	4,104,000	−5.2%
Combination	247,000	303,000	−18.5%

Percent of countertop microwave oven shipments by retail price range

	1982	1981	% Pt. Change
Under $250	6.6%	5.4%	+1.2
$250 - $299	14.2%	13.0%	+1.2
$300 - $399	30.5%	28.5%	+2.0
$400 - $499	28.5%	29.7%	−1.2
$500 - $600	15.4%	18.5%	−3.1
Over $600	4.8%	4.9%	−0.1

Percent of microwave oven combinations shipped by type

	1982	1981	% Pt. Change
Single cavity	16.1%	17.3%	−1.2
Electric double-oven	70.1%	70.1%	0.0
Gas double-oven	13.8%	12.6%	+1.2

Percent of range shipments by size

	Electric			Gas		
	1982	1981	% Pt. Change	1982	1981	% Pt. Change
24 in. & under	8.3%	8.4%	−0.1	11.3%	8.8%	+2.5
30 in.	86.5%	84.7%	+1.8	78.5%	79.4%	−0.9
36 in.	3.0%	3.6%	−0.6	9.4%	10.5%	−1.1
40 in.	2.2%	3.3%	−1.1	0.8%	1.3%	−0.5

Percent of ranges shipped with cleaning systems

	Electric ranges			Gas ranges		
	1982	1981	% Pt. Change	1982	1981	% Pt. Change
Self-cleaning	42.6%	42.3%	+0.3	14.7%	14.4%	+0.3
Continuous-clean	17.5%	19.1%	−1.9	29.5%	31.0%	−1.5

Percent of range sales by type of outlet

	Electric			Gas			Smoothtop		
	1982	1981	% Pt. Change	1982	1981	% Pt. Change	1982	1981	% Pt. Change
Appliance/ TV store	40.3%	41.1%	−0.8	41.6%	41.6%	0.0	42.2%	40.6%	+1.6
Builder/contractor	10.2%	10.7%	−0.5	7.0%	7.6%	−0.6	5.4%	6.5%	−1.1
Catalog showroom	1.0%	1.4%	−0.4	0.9%	1.0%	−0.1	0.8%	0.5%	+0.3
Catalog store (Sears, Penneys, etc.)	22.1%	21.2%	+0.9	30.8%	29.8%	+1.0	23.4%	24.7%	−1.3
Department store	5.1%	5.4%	−0.3	2.9%	3.6%	−0.7	8.2%	9.5%	−1.3
Discount store	3.3%	2.8%	+0.5	4.6%	4.2%	+0.4	2.0%	2.0%	0.0
Furniture store	4.1%	4.3%	−0.2	5.9%	5.8%	+0.1	3.0%	3.0%	0.0
Home improvement center	3.3%	3.1%	+0.2	1.3%	1.2%	+0.1	2.0%	1.5%	+0.5
Kitchen remodeler	9.4%	9.9%	−0.5	4.9%	5.0%	−0.1	13.0%	11.7%	+1.3
Other	1.2%	0.1%	+1.1	0.1%	0.2%	−0.1	0.0%	0.0%	0.0

Percent of microwave oven combinations shipped by retail price range

	1982	1981	% Pt. Change
Under $650	7.0%	7.7%	−0.7
$650 -$749	14.3%	13.8%	+0.5
$750 - $849	24.6%	22.8%	+1.8
$850 - $1,000	29.3%	29.5%	−0.2
Over $1,000	24.8%	26.2%	−1.4

Percent of microwave oven sales by type of outlet

	1982	1981	% Pt. Change
Appliance/TV store	36.2%	37.3%	−1.1
Builder/contractor	2.1%	2.9%	−0.8
Catalog showroom	4.3%	4.4%	−0.1
Catalog store (Sears, Penneys, etc.)	26.5%	24.0%	+2.5
Department store	8.2%	9.6%	−1.4
Discount store	11.4%	11.4%	0.0
Furniture store	3.6%	4.3%	−0.7
Home improvement center	1.4%	1.1%	+0.3
Kitchen remodeler	3.5%	3.6%	−0.1
Other	2.8%	1.4%	+1.4

Percent of gas ranges shipped with pilotless ignition

	1982	1981	% Pt. Change
Pilotless ignition	78.3%	75.0%	+3.3

Percent of ranges shipped which accept options (i.e. grills, griddles, deep fat fryers, rotisseries)

	1982	1981	% Pt. Change
Electric ranges	9.9%	10.3%	−0.4
Gas ranges	4.1%	3.7%	+0.4

Percent of range shipments by color

	1982	1981	% Pt. Change
Almond	44.5%	42.4%	+2.1
Avocado	1.9%	3.1%	−1.2
Coffee	2.0%	3.1%	−1.1
Coppertone	0.4%	0.0%	+0.4
Harvest gold	5.1%	6.4%	−1.3
Wheat	9.5%	9.4%	+0.1
White	35.0%	32.9%	+2.1
Black glass and other	1.6%	2.7%	−1.1

Percent of range shipments with double-oven

	1982	1981	% Pt. Change
Electric	21.1%	20.8%	+0.3
Gas	18.2%	19.2%	−1.0

EIGHTH 8 ANNUAL
MAJOR APPLIANCE
STATISTICAL & MARKETING
R E P O R T

Cleanup

Consumers concentrate on energy-saving dishwashers, although total shipments are expected to decline 19.6%

More of the dishwashers that manufacturers are shipping in 1982 have energy-saving cycles—93 percent of them, compared with 90 percent in 1981.

Evidently, consumers in the dishwasher market are growing more concerned with features like hot water boosters (which heat the dishwasher's water even though the home heating system may be at a lower setting), air instead of heat drying and programmable cycles for delayed start and reduced water usage.

Consequently, many of the units shipped are sporting higher price tags.

Only 54 percent of the built-in dishwashers shipped this year will have retails of $349 or less. In 1981, this part of the market registered 61 percent.

Meanwhile, dishwashers priced from $350 to $399 will capture 17.3 percent of the market, up 0.6 percentage points. In the $400 to $450 price spread there should be a 0.7 percentage point gain to 14.2 percent. But the largest jump comes in units priced over $450—these models will account for 15 percent of the shipments in 1982 compared with just 8.8 percent in 1981.

Portable models, too, should reflect higher retails.

In 1981, 62 percent of the portable units were shipped with retail tags of under $349. In 1982, this category should register 53.4 percent of expected shipments.

Units priced from $350 to $400 accounted for 14.5 percent of shipments in 1981; this year the number should rise to 18.3 percent.

Similarly, models that will retail for over $400 are expected to show a percentage point gain of 4.8 this year to 28.3 percent of the units shipped.

Unfortunately, while some consumers are trading up, there are fewer of them making purchases. The total number of dishwashers expected to be shipped this year numbers 2,068,000 units, a 19.6 percent decline from 1981's total of 2,573,000.

Built-in models will register a drop of 18.3 percent, to 1,846,000, down from 2,260,000 units in 1981.

Portable units will show an even larger decrease—29.1 percent. In 1981, the units shipped numbered 313,000. In 1982, this number will be around 222,000.

Builders lose ground

Fewer units will be shipped to the builder/contractor market in 1982. This segment will decline in share by 2.8 percentage points, to 28.2 percent, reflecting the continued malaise of the housing market.

Shipments to kitchen remodelers have also faltered, indicating that this market may not have been as strong this year as was anticipated earlier. Traditionally, when housing starts are down, many consumers, unable to move, put more dollars into refurbishing their existing homes. Yet remodeling outlets are expected to lose ground—1.4 percentage points—and will account for 6.2 percent of the units shipped.

Picking up the slack are appliance/TV outlets, at 26.3 percent, up from 24.8 percent last year. Also gaining will be catalog stores, at 24.8 percent, up from 22 percent in 1981.

The consumer buying a dishwasher today apparently wants to be sure it will not need to be replaced too quickly if, for example, he decides to switch color schemes. He wants flexibility, so 58.4 percent of the units being shipped will offer interchangeable multi-panel packages so that a color can be switched at whim. This is up from 44 percent in 1981.

After that, the second color preference in dishwashers is again almond, at 20 percent of the units shipped. This year, however, it will show a 1.4 percentage point slip from 1981's numbers.

Cleanup appliances, total factory shipments

	1982	1981	% of Change
Cleanup appliances, total	4,762,000	5,849,000	−18.6%
Dishwashers, total	2,068,000	2,573,000	−19.6%
Portable	222,000	313,000	−29.1%
Built-in	1,846,000	2,260,000	−18.3%
Food waste disposers	2,536,000	3,067,000	−17.3%
Trash compactors	158,000	209,000	−24.4%

Percent of portable dishwasher shipments by retail price range

	1982	1981	% Pt. Change
Under $250	13.0%	15.0%	−2.0
$250 - $299	17.7%	21.0%	−3.3
$300 - $349	22.7%	26.0%	−3.3
$350 - $400	18.3%	14.5%	+3.8
Over $400	28.3%	23.5%	+4.8

Percent of dishwasher shipments by color

	1982	1981	% Pt. Change
Almond	20.0%	21.4%	−1.4
Avocado	1.0%	1.5%	−0.5
Coffee	1.0%	2.0%	−1.0
Coppertone	0.8%	1.0%	−0.2
Harvest gold	1.6%	2.3%	−0.7
Wheat	3.0%	4.3%	−1.3
White	9.0%	10.8%	−1.8
Wood grain	1.4%	4.0%	−2.6
Multicolor panel packages	58.4%	44.0%	+14.4
Other	3.8%	8.7%	−4.9

Percent of trash compactor shipments by color

	1982	1981	% Pt. Change
Almond	41.5%	39.0%	+2.5
Avocado	2.5%	4.7%	−2.2
Coffee	3.7%	5.4%	−1.7
Coppertone	1.8%	1.3%	+0.5
Harvest gold	5.2%	7.0%	−1.8
Wheat	10.0%	11.0%	−1.0
White	31.7%	30.3%	+1.4
Wood grain	1.3%	1.3%	0.0
Other	2.3%	0.0%	+2.3

Disposers drop 17.3%

Last year, food waste disposers showed some strength in the marketplace, resulting from replacement purchases by consumers who now consider this product to be more of a convenience than a luxury.

This year, however, many consumers are making do with existing units—or doing without. Manufacturers have projected a drop in disposer shipments of 17.3 percent, to 2,536,000 units, down from 3,067,000 units in 1981.

Following last year's downward cycle, builder/contractors have lost share in this category, down 3.1 percentage points to 28.2 percent of the units being shipped. And kitchen remodelers are also expected to lose ground, coming in at 11.2 percent, down from 12.2 percent in 1981.

Perhaps because they are often the outlets that handle disposer repairs, making replacement purchases easiest for the consumer, plumbing contractors should again improve their share of this market, up from 19 percent in 1981 to 22.8 percent of the units shipped this year.

Catalog stores should boost their share of shipments from 15.3 percent in 1981 to 17 percent in 1982.

Appliance/TV outlets, however, will lose out, with a 1.5 percentage point decline to 8.8 percent.

Percent of built-in dishwasher shipments by retail price range

	1982	1981	% Pt. Change
Under $250	10.8%	12.0%	−1.2
$250 - $299	18.5%	21.5%	−3.0
$300 - $349	24.2%	27.5%	−3.3
$350 - $399	17.3%	16.7%	+0.6
$400 - $450	14.2%	13.5%	+0.7
Over $450	15.0%	8.8%	+6.2

Percent of dishwashers shipped with energy-saving cycles

	1982	1981	% Pt. Change
Energy-saving cycles	93.0%	90.0%	+3.0

Percent of dishwasher sales by type of outlet

	1982	1981	% Pt. Change
Appliance/TV store	26.3%	24.8%	+1.5
Builder/contractor	28.2%	31.0%	−2.8
Catalog showroom	0.4%	0.2%	+0.2
Catalog store (Sears, Penneys, etc.)	24.8%	22.0%	+2.8
Department store	2.7%	3.6%	−0.9
Discount store	6.9%	7.8%	−0.9
Furniture store	1.7%	1.2%	+0.5
Home improvement center	1.8%	1.4%	+0.4
Kitchen remodeler	6.2%	7.6%	−1.4
Plumbing contractor	1.0%	0.4%	+0.6

Percent of trash compactor sales by type of outlet

	1982	1981	% Pt. Change
Appliance/TV store	25.7%	24.6%	+1.1
Builder/contractor	20.5%	21.6%	−1.1
Catalog showroom	1.3%	1.6%	−0.3
Catalog store (Sears, Penneys, etc.)	28.2%	26.8%	+1.4
Department store	11.0%	12.6%	−1.6
Discount store	2.0%	3.2%	−1.2
Home improvement center	2.8%	2.2%	+0.6
Kitchen remodeler	8.5%	7.4%	+1.1

Percent of food waste disposer sales by type of outlet

	1982	1981	% Pt. Change
Appliance/TV store	8.8%	10.3%	−1.5
Builder/contractor	28.2%	31.3%	−3.1
Catalog showroom	0.2%	0.1%	+0.1
Catalog store (Sears, Penneys, etc.)	17.0%	15.3%	+1.7
Department store	2.0%	2.5%	−0.5
Home improvement center	9.8%	9.3%	+0.5
Kitchen remodeler	11.2%	12.2%	−1.0
Plumbing contractor	22.8%	19.0%	+3.8

EIGHTH ANNUAL MAJOR APPLIANCE STATISTICAL & MARKETING REPORT

Air Treatment

Air conditioner shipments are expected to drop 19.6% as manufacturers battle the economy and the weather

"Disastrous" could be an apt description of the air conditioner business for 1982, almost a complete reversal of the situation in 1981.

Instead of oppressive temperatures in many parts of the country, retailers across the nation found weather conditions for the most part to be cool this past summer.

Instead of not being able to get enough goods on their shelves to meet heavy consumer demand, many couldn't move the air conditioners they did have. Consequently, manufacturers were caught with inventories which few dealers wanted.

But this should come as no surprise. The room air conditioner business has consistently operated this way. Retailers bullishly buy units after a good season, only to be stuck with goods the next if weather conditions don't measure up. The following year, then, as will probably be the case in 1983, retailers and manufacturers both will exercise even greater amounts of caution than a weak economy would dictate, so as not to get burned again.

Retailers, however, are in the best position. Many have been able to return or refinance most of the carryover they were left with, at the expense of the suppliers. But the loss of volume a poor air conditioner season creates can seriously hurt a dealer's annual profit.

Room air shipments plummet

Shipments of room air conditioners are expected to decline 19.6 percent for 1982, to 2,851,000 units, down from 3,547,000 in 1981. But this is shipments. As mentioned earlier, since a lot of those units shipped did not sell to consumers, a significant portion are still in the pipeline.

The air conditioners retailers did order in 1982 varied little from those they had sold the previous year in size and features.

Units under 7,000 Btu's, often used to spot-cool bedrooms, are expected to gain only 0.6 percentage points, to capture 31.5 percent of the units shipped. Also gaining will be the 11,000- to 19,000-Btu category, up 1.4 percentage points, to 32.2 percent.

Air treatment, total factory shipments

	1982	1981	% of Change
Air Treatment, total	3,533,000	4,378,000	–19.3%
Air Conditioners, room	2,851,000	3,547,000	–19.6%
Air Cleaners, total	192,000	230,000	–16.5%
Portable (room type)	53,000	65,000	–18.5%
Central & duct mount	139,000	165,000	–15.8%
Dehumidifiers	490,000	601,000	–18.5%

Percent of dehumidifier sales by type of outlet

	1982	1981	% Pt. Change
Appliance/TV store	27.7%	28.0%	–0.3
Catalog showroom	1.3%	1.0%	+0.3
Catalog store (Sears, Penneys, etc.)	27.3%	25.0%	+2.3
Department store	17.0%	19.0%	–2.0
Discount store	21.0%	20.5%	+0.5
Furniture store	5.0%	5.5%	–0.5
Home improvement center	0.7%	1.0%	–0.3

Percent of dehumidifier shipments by capacity

	1982	1981	% Pt. Change
15 pts. & under	9.0%	9.5%	–0.5
16 - 29 pts.	51.3%	59.5%	–8.2
30 pts. & over	39.7%	31.0%	+8.7

Percent of room air conditioner shipments by size

	1982	1981	% Pt. Change
Under 7,000 Btu's	31.5%	30.9%	+0.6
7,000 - 10,000 Btu's	26.6%	28.4%	–1.8
11,000 - 19,000 Btu's	32.2%	30.8%	+1.4
20,000 Btu's and over	9.7%	9.9%	–0.2

Percent of room air conditioner shipments by retail price range

	1982	1981	% Pt. Change
Under $150	2.2%	2.0%	+0.2
$150 - $250	25.8%	27.2%	–1.4
$251 - $350	28.4%	26.1%	+2.3
$351 - $450	24.2%	24.6%	–0.4
$451 - $550	11.0%	10.5%	+0.5
$551 - $650	5.0%	5.5%	–0.5
$651 - $750	1.8%	2.4%	–0.6
Over $750	1.6%	1.7%	–0.1

Percent of room air conditioner sales by type of outlet

	1982	1981	% Pt. Change
Appliance/TV store	28.4%	27.6%	+0.8
Builder/contractor	3.8%	3.6%	+0.2
Catalog showroom	2.6%	2.6%	0.0
Catalog store (Sears, Penneys, etc.)	21.6%	19.6%	+2.0
Department store	13.2%	15.6%	–2.4
Discount store	25.2%	27.3%	–2.1
Furniture store	2.4%	1.7%	+0.7
Home improvement center	1.8%	1.0%	+0.8
Kitchen remodeler	1.0%	1.0%	0.0

Percent of room air conditioner shipments by E.E.R.

	1982	1981	% Pt. Change
High (7.5 and over)	47.3%	44.3%	+3.0
Low (under 7.5)	52.7%	55.7%	–3.0

Refrigeration

Refrigerator shipments are predicted to fall 13.2%, and consumers tend to buy small, when they buy at all

A category largely dependent on the builder's market, refrigerators will register a drop in shipments of 13.2 percent this year, to 4,801,000 units, down from 5,531,000 in 1981.

Freezers will show a decline of 17.7 percent, to 1,548,000 units, down from 1981 levels of 1,880,000.

Of the units which will be shipped, however, more in both categories will be mid-size. This reflects an increase in urban living and a swing to smaller homes. In many cases, however, it is simply due to the more-affordable price points of these models for the penny-conscious consumer.

Slightly more than 50 percent of the refrigerators shipped this year will be in the 14- to 17-cu.-ft. size ranges, up from 48.7 percent in 1981.

Percent of refrigerator shipments by size

	1982	1981	% Pt. Change
6.5 to 11 cu. ft.	4.0%	3.7%	+0.3
12 - 13 cu. ft.	7.8%	7.8%	0.0
14 - 15 cu. ft.	25.7%	24.7%	+1.0
16 - 17 cu. ft.	24.7%	24.0%	+0.7
18 - 19 cu. ft.	18.8%	19.2%	–0.4
20 - 21 cu. ft.	10.8%	11.4%	–0.6
22 cu. ft. & over	8.2%	9.2%	–1.0

The 15- to 17-cu.-ft. size range will also show a gain in freezers, up to 42.8 percent this year, from 40.5 percent in 1981.

High-end features gain

Still, there are indications that at least some refrigerator consumers consider high-end features more important.

Energy-saving devices will be found on 86.8 percent of refrigerators this year, a gain of 1.8 percentage points.

Automatic ice makers will be shipped on 13.5 percent of refrigerators, a percentage point gain of 0.4.

More top-mount and side-by-side units will have through-the-door ice and/or water—2.3 percent and 25.9 percent, respectively.

The bulk of the refrigerator business will again fall in the $400 to $649 price range—53.2 percent, down slightly from 54 percent in 1981.

Refrigeration appliances, total factory shipments

	1982	1981	% of Change
Refrigerators/freezers, total	6,349,000	7,411,000	–14.3%
Refrigerators, total	4,801,000	5,531,000	–13.2%
Top-mount (6.5 cu. ft. & over)	3,286,000	3,732,000	–12.0%
Side-by-side (6.5 cu. ft. & over)	617,000	789,000	–21.8%
Bottom-mount (6.5 cu. ft. & over)	79,000	105,000	–24.8%
Single-door (6.5 cu. ft. & over)	319,000	371,000	–14.0%
Compacts (under 6.5 cu. ft.)	500,000	534,000	–6.4%
Freezers, total	1,548,000	1,880,000	–17.7%
Chest (10 cu. ft. & over)	702,000	891,000	–21.2%
Upright (10 cu. ft. & over)	579,000	698,000	–17.1%
Compacts (under 10 cu. ft.)	267,000	291,000	–8.3%

In freezers, 66.2 percent of the units shipped are expected to retail for between $300 and $499.

Refrigeration

Percent of compact refrigerator shipments by size

	1982	1981	% Pt. Change
2 cu. ft.	30.5%	30.7%	−0.2
3 cu. ft.	6.0%	7.0%	−1.0
4.5 cu. ft.	35.5%	34.8%	+0.7
4.6 - 6.4 cu. ft.	28.0%	27.5%	+0.5

Percent of freezer shipments by size

	1982	1981	% Pt. Change
10 - 14 cu. ft.	27.3%	28.5%	−1.2
15 cu. ft.	20.2%	20.0%	+0.2
16 - 17 cu. ft.	22.6%	20.5%	+2.1
18 -19 cu. ft.	8.2%	8.0%	+0.2
20 cu. ft. & over	21.7%	23.0%	−1.3

Percent of compact freezer shipments by size

	1982	1981	% Pt. Change
4 cu. ft.	9.3%	14.0%	−4.7
5 - 6 cu. ft.	28.7%	27.3%	+1.4
7 - 8 cu. ft.	29.7%	26.7%	+3.0
9 - 9.9 cu. ft.	32.3%	32.0%	+0.3

Percent of refrigerators shipped with automatic ice makers

	1982	1981	% Pt. Change
Automatic ice makers	13.5%	13.1%	+0.4

Percent of refrigerators shipped with through-the-door ice and/or water

	1982	1981	% Pt. Change
Top-mount	2.3%	1.8%	+0.5
Side-by-side	25.9%	25.8%	+0.1

Percent of refrigerator shipments by retail price range

	1982	1981	% Pt. Change
Under $300	3.8%	5.2%	−1.4
$300 - $399	10.2%	9.7%	+0.5
$400 - $499	19.6%	22.0%	−2.4
$500 - $649	33.6%	32.0%	+1.6
$650 - $800	18.2%	17.1%	+1.1
Over $800	14.6%	14.0%	+0.6

Percent of freezer shipments by retail price range

	1982	1981	% Pt. Change
Under $300	23.0%	23.2%	−0.2
$300 - $399	39.0%	39.7%	−0.7
$400 - $499	27.2%	26.7%	+0.5
$500 - $600	6.4%	6.4%	0.0
Over $600	4.4%	4.0%	+0.4

Percent of refrigerator and freezer shipments by defrosting system

	Refrigerators			Freezers		
	1982	1981	% Pt. Change	1982	1981	% Pt. Change
No-frost	82.5%	80.7%	+1.8	8.7%	9.2%	−0.5
All other	17.5%	19.3%	−1.8	91.3%	90.8%	+0.5

Percent of refrigerator and freezer shipments by color

	Refrigerators			Freezers		
	1982	1981	% Pt. Change	1982	1981	% Pt. Change
Almond	42.0%	38.0%	+4.0	10.5%	6.5%	+4.0
Avocado	2.8%	4.5%	−1.7	0.3%	0.5%	−0.2
Coffee	2.4%	3.0%	−0.6	0.5%	2.5%	−2.0
Coppertone	0.0%	0.0%	0.0	0.3%	0.5%	−0.2
Harvest gold	1.2%	2.5%	−1.3	0.5%	1.0%	−0.5
Wheat	14.8%	14.5%	+0.3	1.9%	3.0%	−1.1
White	36.2%	37.0%	−0.8	80.5%	80.0%	+0.5
Wood grain	0.6%	0.5%	+0.1	5.5%	6.0%	−0.5

Percent of refrigerator and freezer sales by type of outlet

	Refrigerators			Freezers		
	1982	1981	% Pt. Change	1982	1981	% Pt. Change
Appliance/TV store	32.8%	30.2%	+2.6	14.5%	11.2%	+3.3
Builder/contractor	12.3%	15.0%	−2.7	0.5%	1.0%	−0.5
Catalog store (Sears, Penneys, etc.)	28.6%	26.2%	+2.4	46.7%	44.8%	+1.9
Department store	8.0%	12.8%	−4.8	14.3%	17.5%	−3.2
Discount store	5.1%	4.1%	+1.0	13.1%	15.7%	−2.6
Furniture store	4.7%	3.9%	+0.8	4.1%	4.2%	−0.1
Home improvement center	2.2%	1.8%	+0.4	1.8%	1.1%	+0.7
Kitchen remodeler	1.5%	2.4%	−0.9	0.4%	0.1%	+0.3
Other	4.8%	3.6%	+1.2	4.6%	4.4%	+0.2

Percent of compact refrigerator and freezer sales by type of outlet

	Compact refrigerators			Compact freezers		
	1982	1981	% Pt. Change	1982	1981	% Pt. Change
Appliance/TV store	24.5%	23.5%	+1.0	17.9%	15.7%	+2.2
Builder/contractor	0.6%	1.1%	−0.5	0.5%	0.8%	−0.3
Catalog showroom	6.7%	6.5%	+0.2	4.0%	3.6%	+0.4
Catalog store (Sears, Penneys, etc.)	33.7%	31.3%	+2.4	41.0%	42.7%	−1.7
Department store	8.7%	11.0%	−2.3	11.6%	12.3%	−0.7
Discount store	18.1%	17.5%	+0.6	15.9%	14.3%	+1.6
Furniture store	1.5%	2.9%	−1.4	4.8%	5.0%	−0.2
Home improvement center	0.7%	0.7%	0.0	0.9%	0.9%	0.0
Kitchen remodeler	1.0%	0.3%	+0.7	0.0%	0.0%	0.0
Other	4.5%	5.2%	−0.7	3.4%	4.7%	−1.3

Percent of compact refrigerator shipments by retail price range

	1982	1981	% Pt. Change
Under $120	30.8%	33.3%	−2.5
$120 - $149	20.6%	15.5%	+5.1
$150 - $180	29.0%	26.4%	+2.6
Over $180	19.6%	24.8%	−5.2

Percent of refrigerators shipped with energy-saving devices

	1982	1981	% Pt. Change
Energy-saving devices	86.8%	85.0%	+1.8

Percent of compact freezer shipments by retail price range

	1982	1981	% Pt. Change
Under $190	8.4%	10.0%	−1.6
$190 - $210	22.2%	22.5%	−0.3
$211 - $240	33.8%	29.7%	+4.1
$241 - $280	22.2%	19.3%	+2.9
Over $280	13.4%	18.5%	−5.1

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REPORT

Laundry

Laundry appliances expected to fare better than most; nevertheless, total shipments should decline 5.3%

Less dependent on the builder's market than other appliance categories, laundry products should fare somewhat better this year than other product areas, but shipments will still register a decline.

Total washer shipments are expected to drop 5.5 percent, to 4,235,000 units. Of these, 3,900,000 will be automatic and semi-automatic models measuring 25 in. or more in width, a 4.4 percent drop from 1981 numbers of 4,081,000.

The largest percent drop occurs in the wringer and spinner category, which should account for 83,000 units this year, a 27.2 percent decline from 114,000 units last year.

Typically, washers have been the strongest seller in the washer/dryer pair because they are considered to be a necessity by most homeowners. When a washer breaks, it has to be replaced. In contrast, a dryer purchase can often be postponed for a time.

But total dryer shipments will drop only about as much as washers, down five percent this year—to 2,943,000 units.

Importantly, of those washers shipped, more of them will feature electronic controls than last year—a projected 9.7 percent, up from 5.0 percent.

But essentially, it appears that most consumers simply want relatively basic models.

There is a slight leaning towards washers sporting fewer operating cycles. Those units offering only one or two cycles edged up 0.3 percentage points, to 29.3 percent; models with three to four cycles will rise 0.4 percentage points, to 69.4 percent, both at the expense of units featuring five or more cycles.

Large-size capacities of 16 and 18 lbs. still account for the balance of washers shipped. Units with 18-lb. capacity will gain 0.7 percentage points, to register 48.7 percent this year. However, 16-lb. capacity models will slip slightly, to 20.3 percent, a decline of 1.2 percentage points.

Electric dryers drop slightly

Shipments of electric dryers will almost hold their own in 1982. A minimal decline of 1.6 percent, to 2,186,000 units shipped, should be registered from 1981's total of 2,221,000.

Where increased promoting by gas utilities accounted for a boost in shipments of gas dryers last year, the category will be down 11.9 percent this year, to 591,000 units.

As in washers, many consumers want models which are easy to understand and do the job. Units with one to two cycles gained 1.3 percentage points this year and will represent 33.3 percent of the units shipped.

And where last year automatic fabric settings jumped two percentage points, to 69 percent, this year this feature seems to be attracting less interest from consumers. Auto-dry is expected to show a 4.0 percentage point drop, to 65 percent of the dryers shipped.

Still, there is a consumer segment out there which is upgrading to better features. Internal electronic controls will be evident on 9.3 percent of the dryers shipped this year, a gain of 4.3 percentage points.

Percent of washer shipments by capacity

	1982	1981	% Pt. Change
12 lbs. & under	17.3%	17.5%	−0.2
14 lbs.	13.7%	13.0%	+0.7
16 lbs.	20.3%	21.5%	−1.2
18 lbs. and over	48.7%	48.0%	+0.7

Percent of washer and dryer shipments by color

	Washers 1982	Washers 1981	Washers % Pt. Change	Dryers 1982	Dryers 1981	Dryers % Pt. Change
Almond	25.0%	26.0%	−1.0	26.7%	27.0%	−0.3
Avocado	0.7%	2.0%	−1.3	1.0%	2.0%	−1.0
Coffee	0.7%	1.0%	−0.3	0.7%	1.0%	−0.3
Harvest gold	3.3%	5.0%	−1.7	3.7%	5.5%	−1.8
Wheat	5.3%	4.0%	+1.3	5.3%	4.0%	+1.3
White	65.0%	62.0%	+3.0	62.6%	60.5%	+2.1

Percent of washer and dryer shipments by internal control type

	Washers 1982	Washers 1981	Washers % Pt. Change	Dryers 1982	Dryers 1981	Dryers % Pt. Change
Electronic controls	9.7%	5.0%	+4.7	9.3%	5.0%	+4.3
Mechanical controls	90.3%	95.0%	−4.7	90.7%	95.0%	−4.3

Percent of washer and dryer shipments by number of cycles

	Washers 1982	Washers 1981	Washers % Pt. Change	Dryers 1982	Dryers 1981	Dryers % Pt. Change
1 - 2	29.3%	29.0%	+0.3	33.3%	32.0%	+1.3
3 - 4	69.4%	69.0%	+0.4	65.4%	66.0%	−0.6
5 or more	1.3%	2.0%	−0.7	1.3%	2.0%	−0.7

Percent of washer and dryer sales by type of outlet

	Washers 1982	Washers 1981	Washers % Pt. Change	Dryers 1982	Dryers 1981	Dryers % Pt. Change
Appliance/TV store	34.0%	33.9%	+0.1	34.0%	32.9%	+1.1
Builder/contractor	4.0%	2.8%	+1.2	5.0%	3.2%	+1.8
Catalog showroom	2.5%	3.8%	−1.3	2.5%	3.7%	−1.2
Catalog store (Sears, Penneys, etc.)	39.0%	30.4%	+8.6	38.5%	30.0%	+8.5
Department store	8.0%	11.8%	−3.8	7.5%	11.8%	−4.3
Discount store	8.0%	10.4%	−2.4	8.5%	11.2%	−2.7
Furniture store	4.5%	6.9%	−2.4	4.0%	7.2%	−3.2

Home laundry appliances, total factory shipments

	1982	1981	% of Change
Laundry, total	7,178,000	7,577,000	−5.3%
Washers, total	4,235,000	4,479,000	−5.5%
Auto. & semi-auto (25 in. or more in width)	3,900,000	4,081,000	−4.4%
Wringer & spinner	83,000	114,000	−27.2%
Compact washers (24 in. or less in width)	252,000	284,000	−11.3%
Dryers, total	2,943,000	3,098,000	−5.0%
Electric (25 in. or more in width)	2,186,000	2,221,000	−1.6%
Gas	591,000	671,000	−11.9%
Compact dryers (24 in. or less in width)	166,000	206,000	−19.4%

Percent of washers shipped that are portable

	1982	1981	% Pt. Change
Portable	6.0%	5.5%	+0.5

Percent of dryer shipments by type

	1982	1981	% Pt. Change
Automatic fabric settings	65.0%	69.0%	−4.0
Time-dry	35.0%	31.0%	+4.0

Percent of compact washer and dryer sales by type of outlet

	1982	1981	% Pt. Change
Appliance/TV store	48.5%	49.0%	−0.5
Builder/contractor	0.5%	1.0%	−0.5
Catalog showroom	5.0%	5.0%	0.0
Catalog store (Sears, Penneys, etc.)	14.0%	13.0%	+1.0
Department store	10.5%	10.0%	+0.5
Discount store	11.5%	12.0%	−0.5
Furniture store	10.0%	10.0%	0.0

Merchandising's TOP FIFTY

Top 30 in videocassette rentals

		Last month's position	Months on chart
1.	**Conan the Barbarian** *(MCA)*	19	2
2.	**Chariots of Fire** *(Warner)*	1	3
3.	**Star Wars** *(CBS/Fox)* **P**	2	3
4.	**Arthur** *(Warner)*	3	3
5.	**On Golden Pond** *(CBS/Fox)* **GI**	6	3
6.	**Death Wish II** *(Warner)*	—	1
7.	**Deathtrap** *(Warner)*	—	1
8.	**Quest for Fire** *(CBS/Fox)*	—	1
9.	**Cat People** *(MCA)*	4	3
10.	**Body Heat** *(Warner)*	15	2
11.	**Absence of Malice** *(Columbia)*	11	3
12.	**Superman II** *(Warner)*	—	2
13.	**Dead Men Don't Wear Plaid** *(MCA)*	—	1
14.	**Jane Fonda's Workout** *(Karl Video)*	5	3
15.	**Nice Dreams** *(Columbia)*	—	1
16.	**Sharky's Machine** *(Warner)*	12	3
17.	**The Sword and the Sorcerer** *(MCA)*	—	1
18.	**The Seduction** *(Media)*	25	2
19.	**Butterfly** *(Vestron)*	17	2
20.	**Prince of the City** *(Warner)*	28	2
21.	**Diamonds are Forever** *(CBS/Fox)*	—	1
22.	**Outland** *(Warner)*	—	1
23.	**Partners** *(Paramount)*	29	2
24.	**Only When I Laugh** *(Columbia)*	—	1
25.	**Ragtime** *(Paramount)*	10	3
26.	**Wrong Is Right** *(Columbia)*	—	1
27.	**Goldfinger** *(CBS/Fox)*	—	2
28.	**Dragonslayer** *(Paramount)*	23	2
29.	**Caddyshack** *(Warner)* **G**	30	2
30.	**Time Bandits** *(Paramount)*	—	1

Top 10 in videocassette sales

1.	**Jane Fonda's Workout** *(Karl Video)*	1	4
2.	**Star Wars** *(CBS/Fox)* **P**	3	4
3.	**On Golden Pond** *(CBS/Fox)* **GI**	4	5
4.	**Conan the Barbarian** *(MCA)*	—	1
5.	**Arthur** *(Warner)*	2	2
6.	**Star Trek II: The Wrath of Khan** *(Paramount)*	8	2
7.	**Death Wish II** *(Warner)*	—	1
8.	**Goldfinger** *(CBS/Fox)*	—	2
9.	**Rocky II** *(CBS/Fox)*	6	3
10.	**Body Heat** *(Warner)*	—	1

Top 5 in CED videodisc sales

1.	**Star Wars** *(CBS/Fox)* **P**	5	2
2.	**On Golden Pond** *(RCA)* **G**	1	3
3.	**Superman** *(RCA)*	—	2
4.	**Jane Fonda's Workout** *(RCA)*	3	2
5.	**The Howling** *(RCA)*	—	1

Top 5 in laserdisc sales

1.	**Star Wars** *(CBS/Fox)*	1	2
2.	**Olivia—Physical** *(MCA)*	2	3
3.	**Dumbo** *(Disney)*	—	1
4.	**Apocalypse Now** *(Paramount)*	—	1
5.	**Elephant Parts** *(Pacific Arts)*	—	2

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I —Golden Videocassette award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

COLUMBIA

CASEY'S SHADOW (1978) A young boy raises and races a horse whose mother died during its birth. Stars Walter Matthau and Alexis Smith. *Color PG.*

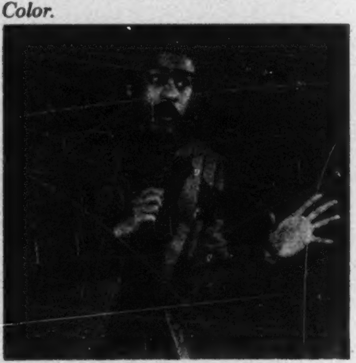
HANOVER STREET (1978) A love story set in war-torn London at the close of World War II. Stars Harrison Ford and Leslie Anne Downe. *Color PG.*

HBO PRESENTS DIANA ROSS IN CONCERT (1980) Live performance taped by Home Box Office. *Color.*

LOVE AND ANARCHY A Venetian peasant tries to assassinate Mussolini in retaliation for a friend's death. *Color NR.*

MONTY PYTHON AND THE HOLY GRAIL (1979) First feature movie starring this British comedy team. *Color R.*

MR. MAGOO VOL. 3 This collection of cartoons is narrated by Jim Backus. *Color.*



RICHARD PRYOR LIVE AT SUNSET STRIP (1981) Filmed during a performance. *Color R.*

SALES SPACE (1964) Drama about a computer malfunction that triggers a bomb attack on Moscow. *Color.*

TO FORGET VENICE (1979) Reunion amongst friends and family is upset when one of the relatives suddenly dies. *Color NR.*

DISNEY

ALICE IN WONDERLAND (1951) Animated adaptation of Lewis Carroll's magnificent story in which Alice falls down a rabbit hole and encounters crazy creatures. *Color 75 minutes C: $84.95.*

BABES IN TOYLAND (1961) The make-believe world of Mother Goose is brought to life in Disney's first live-action musical. *Color 119 minutes C: $69.95.*

DISNEY'S STORYBOOK CLASSICS Animated collection of children's fables including Little Toot (1948); Chicken Little (1943); The Grasshopper and the Ants (1934), and Peter and the Wolf (1946). *Color 121 minutes C: $49.95.*

FUN AND FANCY FREE (1947) In this animated presentation, Edgar Bergen relates the story of Mickey and the Beanstalk to Charlie McCarthy and Mortimer Snerd. Dinah Shore sings and narrates the story of Bongo, the runaway circus bear. *Color 96 minutes C: $49.95.*

MARY POPPINS (1964) Winner of five Oscars, this film combines live action with animation to relate the adventures of a magical nanny (Julie Andrews), her charges and a chimney sweep (Dick Van Dyke). *Color 139 minutes Stereo in VHS C:* $84.95.

SNOWBALL EXPRESS (1972) Comedy in which a New York accountant abandons life in the big city to run a hotel he inherits in the Rocky Mountains. *Color 120 minutes C: $69.95.*

MCA VIDEO

THE BEST OF MARVEL COMICS Contains five episodes of cartoons featuring Spiderman, Spiderwoman, Mister Fantastic, Invisible Girl and The Thing. *Color 112 minutes C: $60.95.*

THE GREEK TYCOON (1978) The world's richest shipping magnate marries the widow of a U.S. president. *Color 106 minutes R C: $60.95.*

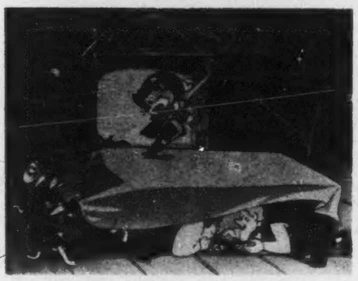
SOMETIMES A GREAT NOTION (1971) Drama tells the story of one timber family's fight against striking timber workers. Stars Henry Fonda. *Color 115 minutes PG C: $60.95.*

THE THING (1982) Scientists in the Antarctic find a survivor of an ancient spaceship, who has been entombed in ice since it crashed 100,000 years ago. *Color 127 minutes R Stereo in VHS C: $79.95.*

MEDIA

CHALLENGE TO BE FREE (1974) The struggle of a man trying to outwit 100 dogs and 12 men who are pursuing him across 1,000 miles of frozen wilderness. *Color 90 minutes G C: $49.95.*

THE NIGHT BEFORE CHRISTMAS (1980) Animated version of this Christmas poem is packaged with coloring book and flex-playing record. *Color 30 minutes G C: $39.95.*



PUSS 'N BOOTS (1980) Animated adventure story of a brave cat. *Color 80 minutes G C: $49.95.*

SILENT NIGHT (1980) A true story describes how this Christmas song was written. Features the Oberndorf Boys' Choir. *Color 27 minutes G C: $39.95.*

MGM/UA

DANGUARD ACE (1982) Animated feature in which a fighter robot helps a pilot combat the evil forces. *Color 100 minutes C: $59.95.*

DINER (1982) Camaraderie among five young men helps them deal with growing pains. *Color 110 minutes R C: $79.95. CED: $24.95.*

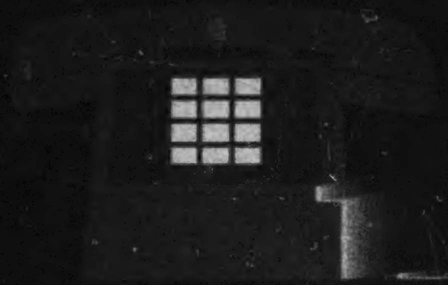
DR. SEUSS VIDEO FESTIVAL Includes two favorites: Horton Hears A Who (1970) and How The Grinch

75th ANNIVERSARY
A GRALLA PUBLICATION
DECEMBER 1982

Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

C4200-1 2/21/82



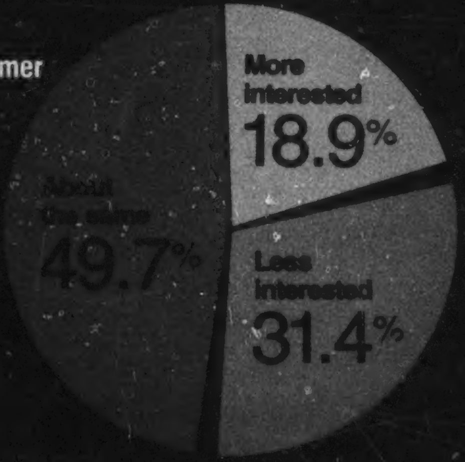
On your mark, get set, sell! The new year will be the year for TELEPHONES

...but there are traps to snare the unwary. Starting on page 39, we'll help untangle the confusion, introduce the latest products and give you the tools to get going in the potentially hottest market of 1983.

Retailers rap rebates

in a peek behind the scenes of housewares merchandising

What is consumer reaction to rebates this year compared with last year?



(Based on 175 replies)

PRODUCT ANALYSIS:

Manufacturers unveil programs for 1983 in prerecorded video, audiotape, videogame software & videotape

Air conditioner vendors hold back new products following retailers' cool, slow summer of '82

DECEMBER 1982

Merchandising

FOR OVER 55,700 RETAILERS & WHOLESALERS

Vol. 7, No. 12

75th ANNIVERSARY

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75th Merchandising
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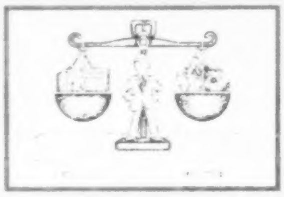

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Judge rules against citizen in HBO transmission case

By Irene Clepper, contributing editor

ST. PAUL, MN—There's a new twist in the continuing saga of the Minneapolis-area Home Box Office (HBO) situation. (*See Merchandising July and August, 1982*). A U.S. district court judge ruled on Oct. 21 in St. Paul that intercepting microwave transmissions of television programming is illegal.

Judge Robert Renner issued an order and memorandum in favor of Movie Systems, Inc. (MSI), a Des Moines, IA-based company, and TVQ, its Minnesota subsidiary, (the local HBO distributor), in their suit against an individual who admitted using a microwave antenna and downconverter to obtain HBO programming without paying a fee to TVQ.

MSI had already obtained a preliminary injunction against a group of retailers who were selling the receiving equipment. More than 25,000 units had been sold prior to the injunction. In moving against the retailers, Judge Earl Larson ruled last summer that purchases of such receiving equipment were made essentially to receive HBO programs.

Suit is a first

Believed to be the first case in the country against an individual for this offense, the suit was filed by MSI in July against Edward Heller, III, a Minneapolis patent attorney. He was selected, said Ray Conley, MSI chief counsel, because he had admitted publicly that he was receiving the signal without paying for it.

MSI sued Heller on the basis of Section 605 of the Federal Communications Act of 1934, which defines broadcasting as "intended to be received by the public." MSI maintained that its signals were point-to-point transmissions, not intended for the general public, but only for those persons who were subscribers.

Judge Renner wrote, "This court cannot accept Heller's argument that he has a protected privacy interest in 'backwash' emitted by an antenna placed in plain view atop his home."

"The order and memorandum refutes virtually everything a homeowner could ever argue in defense of 'pirating' our signals," Conley said. "In addition, the judge stated that our electronically equipped van does not invade the individual's privacy."

The MSI van cruised through a large number of Minneapolis and St. Paul neighborhoods, identifying the signals which homeowners were receiving. On the basis of this survey—coupled with a visual scan of the dish-shaped antennas on the roofs and a comparison of addresses of subscribers with "illegal" antennas—MSI found that 25,000 households were receiving the HBO signal without

(*Continued on page 26*)

NEW RELEASES

MCA

AEROBIC DANCING (1982) Features a warm-up routine, 13 aerobic dances and a cool-down dance, taught and choreographed by Jackie Sorensen, the originator of Aerobic Dancing. *Color 56 minutes C: $39.95.*

JAZZERCISE (1982) Jazz dance fitness program that uses simple dance movements to condition the body. Narrated and choreographed by Judi Sheppard Misset, founder of the system. *Color 56 minutes C: $39.95.*

PARAMOUNT

REDS (1982) Warren Beatty's epic about a journalist's political experiences during the Russian Revolution. *Color 195 minutes C: $79.95.*

MISTER MAGOO'S CHRISTMAS CAROLS Collection of Mr. Magoo's Christmas cartoons. *Color 52 minutes.*

RCA/COLUMBIA

ANNIE (1982) Movie version of the hit Broadway play stars Aileen Quinn as Annie, the adorable orphan; Albert Finney as Daddy Warbucks and Carol Burnett as Miss Hanigan. *Color PG Stereo in VHS.*

VESTRON

HOW TO BEAT VIDEOGAMES: VOL. I: THE BEST GAMES (1982) Made for home video production that gives playing strategies for the best games for the Atari VCS system. Includes Space Invaders, Asteroids, Chopper Command and Frogger. *Color C: $39.95.*

HOW TO BEAT VIDEOGAMES: VOL. II: THE HOT NEW GAMES (1982) Features 20 of the new games being marketed during the 1982-83 year for the Atari VCS system. Includes MegaMania, Demons to Diamonds and Riddle of the Sphynx. *Color C: $39.95.*

HOW TO BEAT VIDEOGAMES: VOL. III: ARCADE QUALITY FOR THE HOME (1982) Preview of the Atari 5200, Colecovision and Vectrex videogame systems with strategies on how to play 20 of the games. Includes Cosmic Chasm, Donkey Kong and Galaxian. *Color C: $39.95.*

WARNER

A MIDSUMMER NIGHT'S SEX COMEDY (1982) Woody Allen's fantasy in a turn-of-the-century setting. Also stars Mia Farrow and Tony Roberts. *Color PG 88 minutes C: $70.*

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

	Last month's position	Months on chart
1. **Conan the Barbarian** *(MCA)*	1	3
2. **Victor/Victoria** *(MGM/UA)*	—	1
3. **The Thing** *(MCA)*	—	1
4. **On Golden Pond** *(CBS/Fox)* **GI**	5	4
5. **Star Trek II: The Wrath of Khan** *(Paramount)*	—	1
6. **Star Wars** *(CBS/Fox)* **P**	3	4
7. **Quest For Fire** *(CBS/Fox)*	8	2
8. **Escape From New York** *(Embassy)*	—	1
9. **Chariots of Fire** *(Warner)*	2	4
10. **Jane Fonda's Workout** *(Karl Video)*	14	4
11. **Firefox** *(Warner)*	—	1
12. **Death Wish II** *(Warner)*	6	2
13. **Arthur** *(Warner)*	4	4
14. **The Compleat Beatles** *(MGM/UA)*	—	1
15. **The Sword and the Sorcerer** *(MCA)*	17	2
16. **Grease II** *(Paramount)*	—	1
17. **Dead Men Don't Wear Plaid** *(MCA)*	13	2
18. **Cat People** *(MCA)*	9	4
19. **Deathtrap** *(Warner)*	7	2
20. **Playboy Video** *(CBS/Fox)*	—	1
21. **Hanky Panky** *(RCA/Columbia)*	—	1
22. **French Lieutenant's Woman** *(CBS/Fox)*	—	3
23. **Superman II** *(Warner)*	12	3
24. **The Amateur** *(CBS/Fox)*	—	1
25. **Author Author** *(CBS/Fox)*	—	1
26. **Taps** *(CBS/Fox)*	—	2
27. **Absence of Malice** *(RCA/Columbia)*	11	4
28. **Nice Dreams** *(RCA/Columbia)*	15	2
29. **The Seduction** *(Media)*	18	3
30. **Sharky's Machine** *(Warner)*	16	4

Top 10 in videocassette sales

1. **Jane Fonda's Workout** *(Karl Video)*	1	5
2. **Star Trek II: The Wrath of Khan** *(Paramount)*	6	3
3. **Star Wars** *(CBS/Fox)* **P**	2	5
4. **The Compleat Beatles** *(MGM/UA)*	—	1
5. **On Golden Pond** *(CBS/Fox)* **GI**	3	6
6. **Victor/Victoria** *(MGM/UA)*	—	1
7. **Conan the Barbarian** *(MCA)*	4	2
8. **Arthur** *(Warner)*	5	3
9. **Rocky II** *(CBS/Fox)*	9	4
10. **The Thing** *(MCA)*	—	1

Top 5 in CED videodisc sales

1. **Star Wars** *(CBS/Fox)* **P**	1	3
2. **On Golden Pond** *(RCA)* **G**	2	4
3. **Jane Fonda's Workout** *(RCA)*	—	1
4. **Dragonslayer** *(Paramount)*	—	1
5. **Superman** *(RCA)*	3	3

Top 5 in laserdisc sales

1. **Star Wars** *(CBS/Fox)* **P**	1	3
2. **Dragonslayer** *(Paramount)*	—	1
3. **Apocalypse Now** *(Paramount)*	4	2
4. **Elephant Parts** *(Pacific Arts)*	5	3
5. **All That Jazz** *(CBS/Fox)*	1	1

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P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/VIDEO)
I—Golden Videocassette award—has audited return sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

Rebates generate both headaches and sales, say 176 retailers running 11,145 stores

By Stephanie Flory, associate editor

NEW YORK—While rebates can help boost sales of housewares products, retailers resent the swarms of paper work required to maintain the various programs. In addition, customers often balk at having to wait for rebate checks, and dump their complaints on the merchants.

This information was gleaned from a recent *Merchandising* Retail Opinion file on rebates. Some 176 retailers, representing 11,145 stores, participated in the survey.

Those polled profess that it might be more effective for everyone if manufacturers would simply lower prices in lieu of offering rebate programs. This would save retailers time, and would provide the customer with "instant" savings.

Other problems can also crop up with rebates. Many retailers contend that it's difficult to keep abreast of the constant flow of new programs. In addition, merchants bark that they often run out of coupons.

Rebates do not carry as much clout with consumers as they once did either. Only 18.9 percent of the retailers polled think that their customers are more interested in rebate offers this year. Some 30.4 percent say they are less interested.

Require much work

At the very least, rebates require retailers to fill out forms or post coupon offers near rebated merchandise. Those polled reported that they spend an average of 9.3 hours per month maintaining the various programs.

"The paperwork involved is overwhelming," remarked a representative from a large catalog showroom chain. "We must inform all of our showrooms and personnel about the offers."

"Rebates are not worth the trouble," said a housewares/hardware dealer in Virden, IL. "Manufacturers should drop the price of the product and not waste my time."

The problems involved in maintaining rebate programs have actually prompted 10 percent of those polled to drop or not carry a housewares product because it was rebated. "I think that rebates only add to costs because they have to come from someone's profits," a Wyoming housewares/hardware dealer replied. "The cost of a letter and postage is not free to anyone. Rebates are an economic waste!"

Although many retailers voiced anger over rebate programs, a healthy 64.2 percent admitted that they are indeed effective. And 66.4 percent of those polled said that housewares rebates are most beneficial for kitchen electrics.

For example, if a blender selling for $24.99 is offered with a $3.50 rebate, 55.1 percent of the sample thought that sales would increase. And 67.9 percent said they would consider dropping the price of the rebated blender by $1.50 to bring the ultimate cost to the consumer to $19.99, an even more attractive price point.

It's no surprise that 74.2 percent believe that rebates are most effective

What is consumer reaction to rebates this year compared with last year? (Based on 175 replies)

	Number of replies	Percent of response
More interested	33	18.9%
About the same	87	49.7
Less interested	55	31.4
Total	175	100.0%

Do you believe that housewares rebates can be effective? (Based on 176 replies)

	Number of replies	Percent of response
Yes	113	64.2%
No	26	14.8
Undecided	37	21.0
Total	176	100.0%

If you think that housewares rebates are effective, in which of the following categories are they most beneficial? (Based on 113 replies)

	Number of replies	Percent of response
Kitchen Electrics	75	66.4%
Personal Care	40	35.4
Air Treatment	21	18.6
Home Security	18	15.9
Cookware	5	4.4
Floor Care	3	2.7
Clocks	1	0.9

Are the number of housewares product rebates offered during the fourth quarter of 1982 up or down from the fourth quarter of 1981? (Based on 175 replies)

	Number of replies	Percent of response
Up	86	49.1%
About the same	78	44.6
Down	11	6.3
Total	175	100.0%

In which of the following categories were manufacturer rebates offered in 1982? (Based on 176 replies)

	Number of replies	Percent of response
Kitchen Electrics	164	93.2%
Personal Care	156	88.6
Air Treatment	130	73.9
Home Security	107	60.8
Cookware	86	48.9
Clocks	57	32.4
Floor Care	39	22.2

In which of the following categories has the number of rebate offers increased over the past year? (Based on 159 replies)

	Number of replies	Percent of response
Kitchen Electrics	110	69.2%
Personal Care	105	66.0
Air Treatment	71	44.7
Cookware	36	22.6
Home Security	32	20.1
Clocks	19	12.0
Floor Care	18	11.3

What portion of your selling price does the average rebate usually represent? (Based on 125 replies)

	Number of replies	Percent of response
1% to 5%	22	17.6%
6% to 10%	57	45.6
11% to 15%	28	22.4
16% to 20%	14	11.2
Over 20%	4	3.2
Total	125	100.0%

Average portion of selling price. **11.0%**

In which price ranges are rebates most effective? (Based on 130 replies)

	Number of replies	Percent of response
$10 to $15	21	16.1%
$15 to $20	11	8.5
$20 to $25	33	25.4
$25 to $30	24	18.5
$30 to $40	12	9.2
$40 to $50	8	6.1
$50 to $60	4	3.1
$60 and over	17	13.1
Total	130	100.0%

What are the three most successfully rebated housewares products (not brands)? (Based on 127 replies)

	Number of replies	Percent of response
Smoke Alarms	29	22.8%
Food Processors	28	22.0
Toaster Ovens	28	22.0
Blenders	24	18.9
Hair Dryers	20	15.7
Air Purifiers	19	15.0
Irons	18	14.2
Toasters	13	10.2
Mixers	12	9.4
Cookware	8	6.3
Curling Irons	6	4.7
Electric Fry Pan Skillets	6	4.7
Coffee Makers	5	3.9
Fans	4	3.2
Multi-Use Stand Mixers	4	3.2
Can Openers	3	2.4
Corn Poppers	3	2.4
Broiler Ovens	3	2.4
Microwave Oven Cookware	2	1.6
Shavers	2	1.6
Foot Massagers	1	0.8
Ice Cream Machines	1	0.8
Slow Cookers	1	0.8
Sweepers	1	0.8

during December, thanks to the bustling holiday season. The sample cited smoke alarms, food processors and toaster ovens as the three most successfully rebated housewares products.

Problems with rebate programs, however, frequently surface. For example, one Montana housewares/hardware dealer noted, "Customers sometimes try to figure out ways to receive multiple rebates on a single purchase to rip off the manufacturer."

"Rebates are a pain," declared a Rosemount, MN housewares/hardware dealer. "We have consumers who refuse to buy a brand that offers a rebate."

Customers often ask one Minnesota housewares/hardware merchant, "Why don't vendors just cut the prices instead of all this foolishness?" The dealer also noted, "many times, customers don't receive their rebates in the mail, and I'm stuck writing to the manufacturer to find out what happened."

Several retailers polled suggested alternatives to rebate programs. An Ohio discount store executive said, "Keep rebate programs, but provide buyers with a single list of rebated items, amounts and effective dates. This would help make the retailer more organized."

"Place a sign near the product explaining to the customer that the product's price will be lowered in lieu of the rebate," suggested a Minnesota housewares/hardware dealer. "The customer is going to buy the product anyway, so why pester the store with rebates."

"Rebates are too prevalent," noted an executive from a California department store. "Customers are barraged with them in ads. I think that people are looking for value at the time of purchase—not three months later."

"Reduce the number of rebate offers," suggested a representative from a Texas/Oklahoma catalog showroom chain. "Do not open up any new categories of rebates."

This retailer also pointed out that "Coupons for rebates are not readily available many times, and we have to do all of the leg work. There are too many rebates to keep on top of."

"We seldom mention rebate programs to consumers. We have piles of coupons on hand, but refuse to use them," said a Fairmont, NC, housewares/hardware dealer. "Many of the dealers I have spoken with at shows and conventions would be pleased if rebates were discontinued and prices were reduced proportionately."

Although a Morris, IL, housewares/hardware retailer admitted that he's noticed an increase in consumer interest in rebates, he noted, "Vendors must do a better job of notifying us about rebate programs *before* the promotion starts."

However, a spokesperson for a Pennsylvania department store said, "Customers are tired of rebates. The rebate system has run its course and is worn out."

"Drop the gimmick of rebates and give customers a break," said a Rosemount, MN, housewares/hardware dealer. "America is the coupon capital of the world. It just takes people a long time to learn that they don't get anything for free."

"Forget rebates," declared a Lake View, SC, housewares/hardware merchant. "Surely someone can come up with an 'instant' promotion or program—we have an 'instant' in everything else."

STATISTICAL MATTER for this survey was collected and compiled by **Selma Book**, market research manager, and **Roberta Janasz**, research associate.

How many hours per month per store are devoted to maintaining rebate programs? (Based on 116 replies from respondents doing some work on rebates)

Average number of man hours per month per store	9.3
Range	½ hour to 40 hours

If a blender sold for $24.99 is offered with a $3.50 rebate, how much higher (%) would sales be with the rebate than without it? (Based on 97 replies)

Range	Number of replies	Percent of response
1% to 5%	25	25.8%
6% to 10%	42	43.3
11% to 15%	14	14.4
16% to 25%	10	10.3
Over 25%	6	6.2
Total	97	100.0%

Average % higher	12.3%
Range	1% to 75%

Suppose that a blender that you sell for $24.99 is offered with a $3.50 rebate. Do you think sales of the rebated blender would be higher than without it? (Based on 176 replies)

	Number of replies	Percent of response
Yes	97	55.1%
No	52	29.6
Undecided	27	15.3
Total	176	100.0%

If a $3.50 rebate is offered on a $24.99 blender, would you consider dropping the price of the rebated blender by $1.50 to bring the ultimate cost to the consumer to $19.99? (Based on 168 replies)

	Number of replies	Percent of response
Yes	114	67.9%
No	54	32.1
Total	168	100.0%

If rebates are more effective during certain months of the year, in which months are they most influential? (Based on 85 replies)

	Number of replies	Percent of response
December	63	74.2%
November	34	40.0
September	17	20.0
October	15	17.6
May	11	13.0
June	8	9.4
August	8	9.4
January	7	8.3
April	7	8.3
March	5	5.9
July	5	5.9
February	4	4.7

Have you ever dropped or not carried a housewares product because it was rebated? (Based on 160 replies)

	Number of replies	Percent of response
Yes	16	10.0%
No	144	90.0
Total	160	100.0%

If you have ever dropped or not carried a housewares product(s) because it was rebated, which product(s) was involved; (Based on 10 replies)

	Number of replies	Percent of response
Coffee Makers	2	20.0%
Cookware	2	20.0
Hair Dryers	2	20.0
Blenders	1	10.0
Irons	1	10.0
Electric Heaters	1	10.0
Electric Roasters	1	10.0
Total	10	100.0%

Characteristics of the sample:

Type of responding company:

	Number of replies	Percent of response
Housewares/Hardware Store	98	55.7%
Catalog Showroom	35	19.9
Department Store	33	18.8
Discount Store	5	2.8
Other	5	2.8
Total	176	100.0%

Number of stores owned/operated:

	Number of replies	Percent of response
Single-Unit companies	110	62.5%
Multi-Unit companies	66	37.5
Total	176	100.0%
		11,145

(Includes companies operating 3,000 stores, 2,500 stores, 1,200 stores, 1,000 stores.)

Replies by region: (Based on 171 replies)

	Number of replies	Percent of response
Northeast	30	17.5%
North Central	81	47.4
South	39	22.8
West	21	12.3
Total	171	100.0%

A GRALLA PUBLICATION
JANUARY 1983

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

C4200-1 1/21/83

Retailers ready their January shopping lists

Touring the
Winter CES
they'll be
checking out:

- Personal Computers
- Digital Audio
- Portable VCR's
- Videogame Software
- Personal Portables

Visiting the
Housewares Expo
all eyes
will be on:

- Kerosene Heaters
- Food Processors
- Cookware
- Quartz Clocks
- Portable Vacuums

Hitting the
Home Builders' Show
the action
will focus on:

- Microwave Ovens
- Induction Cooktops
- Self-cleaning Ovens
- Compact Refrigerators
- Washing Machines

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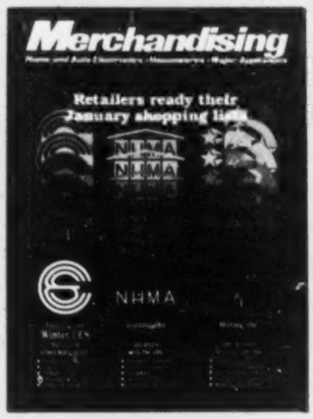
Merchandising

FOR OVER 55,700 RETAILERS & WHOLESALERS

JANUARY 1983
Vol. 8, No. 1



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Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

	Last month's position	Months on chart
1. **Star Trek II: The Wrath of Khan** *(Paramount)*	5	2
2. **Firefox** *(Warner)*	11	2
3. **Victor, Victoria** *(MGM/UA)*	2	2
4. **Annie** *(RCA/Columbia)*	—	1
5. **Tron** *(Walt Disney)*	—	1
6. **The Thing** *(MCA)*	3	2
7. **Best Little Whorehouse in Texas** *(MCA)*	—	1
8. **Star Wars** *(CBS/Fox)* **P**	6	5
9. **Rocky III** *(CBS/Fox)*	—	1
10. **Diner** *(MGM/UA)*	—	1
11. **Poltergeist** *(MGM/UA)*	—	1
12. **Escape from New York** *(Embassy)*	8	2
13. **Conan the Barbarian** *(MCA)*	1	4
14. **Chariots of Fire** *(Warner)*	9	5
15. **Sharky's Machine** *(Warner)*	30	5
16. **Arthur** *(Warner)*	13	5
17. **Richard Pryor Live at Sunset Strip** *(RCA/Columbia)*	—	1
18. **Reds** *(Paramount)*	—	1
19. **Superman II** *(Warner)*	23	4
20. **On Golden Pond** *(CBS/Fox)* **GI**	4	5
21. **Playboy Video** *(CBS/Fox)*	20	2
22. **Missing** *(RCA/Columbia)*	—	1
23. **Rich and Famous** *(RCA/Columbia)*	—	1
24. **Quest for Fire** *(CBS/Fox)*	7	3
25. **Dead Men Don't Wear Plaid** *(MCA)*	17	3
26. **Death Wish II** *(Warner)*	12	3
27. **My Dinner With Andre** *(Pacific Arts)*	—	1
28.-29. **A Midsummer Night's Sex Comedy** *(Warner)*	—	1
28.-29. **Alice In Wonderland** *(Walt Disney)*	—	1
30. **Jane Fonda's Workout** *(Karl Video)* **I**	10	5

Top 10 in videocassette sales

1. **Star Trek II: The Wrath of Khan** *(Paramount)*	2	4
2. **Jane Fonda's Workout** *(Karl Video)* **I**	1	6
3. **Annie** *(RCA/Columbia)*	—	1
4. **Compleat Beatles** *(MGM/UA)*	4	2
5. **Star Wars** *(CBS/Fox)* **P**	3	6
6. **Playboy Video** *(CBS/Fox)*	—	1
7. **Rocky III** *(CBS/Fox)*	—	1
8. **Tron** *(Walt Disney)*	—	1
9. **The Thing** *(MCA)*	10	2
10. **Rocky II** *(CBS/Fox)*	9	5

Top 5 in CED videodisc sales

1. **Star Trek II: The Wrath of Khan** *(Paramount)*	—	1
2. **Rocky III** *(CBS/Fox)*	—	1
3. **Jane Fonda's Workout** *(RCA)* **I**	3	4
4. **Star Wars** *(CBS/Fox)* **P**	1	4
5. **Dragonslayer** *(Paramount)*	4	2

Top 5 in laserdisc sales

1. **Star Wars** *(CBS/Fox)*	1	4
2. **On Golden Pond** *(CBS/Fox)* **G**	—	1
3. **Star Trek II: The Wrath of Khan** *(Paramount)*	—	1
4. **Apocalypse Now** *(Paramount)*	3	3
5. **Time Bandits** *(Paramount)*	—	3

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I—Golden Videocassette award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

(Continued from page 40)

YOUNG DOCTORS IN LOVE (1982) Comedic spoof set in a hospital where the doctors and nurses are more involved in their own lives than in caring for their patients.

VIDAMERICA

EMANUELLE, THE QUEEN The third in a series, this tape depicts Laura Gemser in bizarre rituals, illicit sexual combinations and blackmail and murder situations. *Color C: $59.95.*

THE WEDDING PARTY A Brian DePalma comedy starring Jill Clayburgh and Robert DeNiro. *Color C: $59.95.*

WARNER

HEY, GOOD LOOKIN' (1982) Animated look back at what it was like growing up in the 1950's. *Color 77 minutes R C: $39.95.*

NIGHT SHIFT (1982) Two workers on the night shift at the city morgue (Henry Winkler and Michael Keaton) spice up their jobs by running a call girl service on the side. *Color 106 minutes R C: $69.95.*

THE TWISTED CROSS (1956) Documentary on the rise of Adolf Hitler, from his formative years through his powerful rule to the fiery end. *Black and white 98 minutes NR C: $39.95.*

VICTORY AT SEA (1960) Documentary presents highlights from the World War II series. *Black and white 98 minutes NR C: $39.95.*

THE WORLD ACCORDING TO GARP (1982) Robin Williams portrays T.S. Garp, a man at odds with the times. *Color 136 minutes R C: $69.95.*

Blay urges elimination of the first sale doctrine

(Continued from page 20)

side of Nishimura too. He said he can't move the product, although a nearby store in Seattle is having quite a success with laserdiscs.

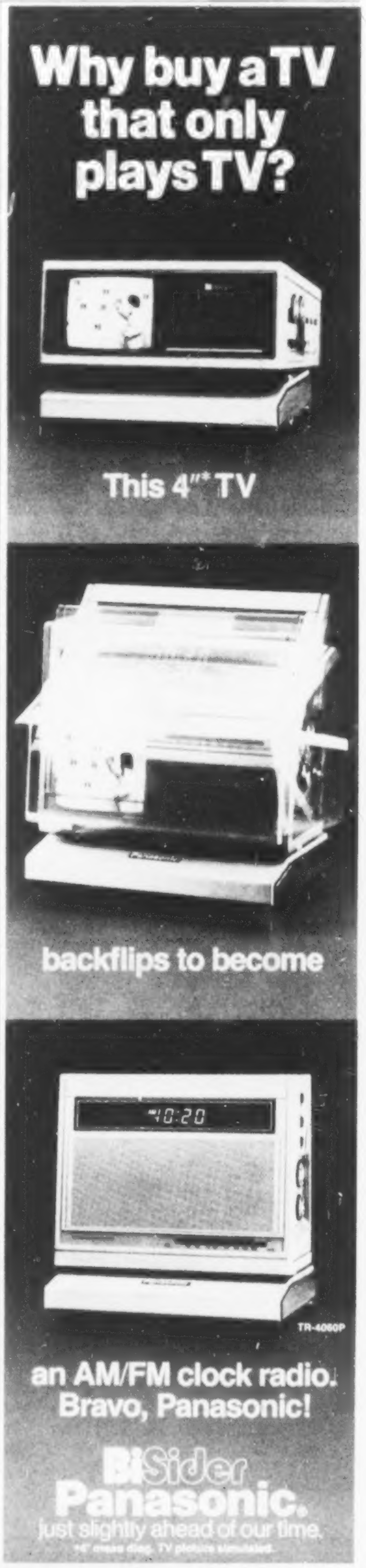
Recently, manufacturers have indicated that the elimination of first sale would lead directly to a lowering of cassette prices. In his remarks, Blay reiterated this and asked for the support of manufacturers, wholesalers, retailers and programmers for an amendment to the first sale doctrine.

However, he suggested, the legislation should be uncoupled from other considerations within the Mathias Amendment.

Blay added, "The successful passage of the amendment to the first sale doctrine will ensure that prices will be lowered enough to allow the consumer to make a choice between purchase and rental, and will ensure a profitable business at all levels."

Mickey Hyman, president, MGM/UA disagreed. He said he thinks it will be difficult to decide marketplace actions through legislation. "It will eventually determine itself."

To Nishimura, however, the fight over the first sale doctrine represents a step backwards. He said he would rather see the industry moving ahead. And Blay added, "The entire creative community is waiting for us to become a legitimate business."



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This 4"* TV
backflips to become
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Kerosene heaters experience resurrection; Consumer Reports study may numb industry

By Stephanie Flory, associate editor

NASHVILLE—As soaring costs of electricity and heating fuel prompt many consumers to lower thermostats and buy kerosene heaters to cut costs, sales of these devices have fired up retailers' profits over the past year.

Some 5.2 to 5.5 million kerosene heaters are expected to be sold during the 1982-83 heating season—approaching $1.3 billion in volume—with predictions for one of the coldest winters ever helping to heat up sales.

But in October, Consumer Reports magazine published an article that blasted the industry by declaring kerosene heaters dangerous. While some retailers, distributors and manufacturers fear that the repercussions from the report may place a crimp in the growth curve, others are confident that sales will continue to boom.

Forces in the industry have mobilized to ensure this is so. Kero-Sun has filed a $41-million lawsuit against Consumers Union, the publisher of Consumer Reports. Other vendors are also contesting the report, as is the National Kerosene Heater Association (NKHA) in Nashville.

All that is really needed to ensure safety with kerosene heaters, they insist, is extensive consumer education. This is especially important at the retail level, where manufacturers are providing wall banners, posters and brochures to illustrate how the heaters work. But, they emphasize, sales clerks must show each customer, step-by-step, how to use the units from start-up to shut-down. They must make sure that each purchaser understands fully how his heater should be operated.

Sales boom

Despite the uncertain economy, sales of kerosene heaters are booming across the country. One typical dealer, Crafton Lumber and Supply, Pittsburgh, a 7,000-sq.-ft. hardware store, has already sold 400 to 500 units this season, according to James Rauch, president.

"My sales clerks have been educated about kerosene heaters from top to bottom," he pointed out. "They can explain every aspect of each unit."

In October, the store ran a flyer promotion that featured five kerosene heaters and sold about 320 units. The 78,000 flyers that promoted the campaign were distributed via newspapers and a local shopper publication.

To drum up publicity for the store, Rauch also hosts a Handy Man radio talk show every Saturday from noon to 1 p.m. "Listeners call in and ask questions about fixing and maintaining their homes," he explained.

Since the Consumer Reports article hit, Rauch has received only one or two inquiries about the safety of the heaters. "Personally, I'm ignoring the study completely," he said.

"Manufacturers claim that Consumers Union tested the kerosene heaters under unfair conditions," he pointed out. "I use one in my home to warm an unheated room, and am pleased with it."

To contest the Consumer Reports article, Kero-Sun has slammed a $41-million lawsuit on Consumers Union, the publisher of the magazine. "The article contains over 80 false or misleading statements pertaining to portable kerosene heaters in general, and to those marketed by Kero-Sun," pointed out Ted Miller, public relations director for the company.

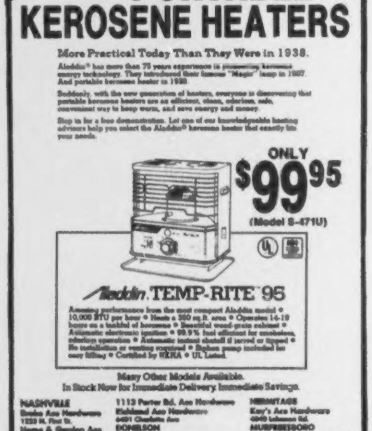
Kero-Sun claims the study contains: inaccurate air quality calculations (especially the conclusions regarding ill health effects); misinterpretation of the properties and specifications of kerosene (the quality of kerosene was not considered); inaccuracies regarding the average cost of kerosene, and failure to use accepted and standard testing procedures, according to Miller.

It has been noted, however, that Consumers Union has lost only one damage suit in its 46 years in existence, and that decision was recently overturned by the U.S. Court of Appeals for the First Circuit, according to a spokesperson for Consumers Union.

If they are properly used, kerosene heaters are perfectly safe, Kero-Sun's Miller stated. "Dealers must take the time to fully explain them to customers. It's not like selling an iron—kerosene heaters are sophisticated products."

It's also essential to sell a customer the right heater for his needs, explained Joe Gallagher, president of Pesco, a distributor in Philadelphia. "A retailer should not push a $300 heater on a customer when his room

(*Continued on page 84*)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MURFREESBORO

150 HEATERS were sold after Richland Ace Appliance ran this ad. The firm is based in Nashville.

Educate buyers on safety features and functions of kerosene heaters

By Stephanie Flory, associate editor

NEW YORK—Kerosene heaters have rapidly become an accepted supplemental heating source for many consumers. But like any sophisticated product, they require an educated sales force to move them quickly and safely into the consumer's hands.

Following is a list of questions that consumers frequently ask retailers about kerosene heaters. The answers were provided by the National Kerosene Heater Association, Kero-Sun and Aladdin Industries, Inc.

1. What is the difference between a radiant and a convection heater?

A radiant heater uses a polished reflector to radiate heat in a forward direction. It can be placed near a wall, but should be away from household traffic.

A convection heater is usually cylindrical and heats in all directions. It is usually used in larger areas where overall heat is necessary. It should be placed near the center of the area to be heated.

2. What size kerosene heater is recommended for home use?

Heat output of a kerosene heater is measured in Btu's (British thermal units). A larger number of Btu's are required to heat an expansive area.

To approximate the Btu output needed to heat an average room, a rule of thumb is to multiply the square footage of the room by 28. This figure equals the approximate number of Btu's needed to adequately heat the given area. Of course, climatic conditions, insulation and other factors should also be taken into consideration when purchasing a unit.

3. What safety and convenience features are provided by today's kerosene heaters?

The new heaters are designed with a low center of gravity to provide stability. They feature automatic ignition (no matches required). The units also offer an automatic shut-off device that is triggered if the heater is tipped over. Consumers should look for kerosene heaters with the label of an independent testing laboratory such as Underwriters Laboratory, Inc. (UL). These labels indicate that the model has met stringent safety and operation standards.

4. Is ventilation required for kerosene heaters?

Manufacturers recommend that a door to an adjoining room should be left ajar. In a small, tightly sealed room, a window should be opened slightly.

5. Do kerosene heater surfaces become hot?

Some heater surfaces will become hot. Double walls or protective grilles on the units can help guard against contact burns. However, children should be told to stay away from the units.

Place the heater far away from curtains, furniture, papers or other combustible materials. Clothing should *never* be dried on a kerosene heater.

6. Do kerosene heaters emit any gases or odors?

The major constituents of kerosene heater combustion are carbon dioxide and water vapor. Independent tests have shown that kerosene heaters emit a smaller amount of carbon monoxide in an eight-hour period than is inhaled by smoking one cigarette, according to the National

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Brochures, posters teach the public kerosene heater safety

(*Continued from page 83*)

size only requires a unit that costs $250.''

To help educate both consumers and retailers, manufacturers are providing brochures, posters and wall banners to be used at point of sale. The NKHA has developed a safety brochure that is included in the boxes of all Underwriters Laboratory (UL)-listed units, in addition to posters, leaflets and other items aimed at educating the public, according to J. Thomas Smith, managing director and general counsel.

The association of manufacturers requires $10,000 in membership dues, which finances the uniform safety and seal program, Smith explained. Seals are available to members and nonmembers if they meet the following criteria.

The unit must meet UL standards, labeling on the heater must conform to the uniform warning label and a safety brochure must be included in the box.

The association is currently expanding its consumer education programs and has developed films available for group viewing, according to Scott Harrah, vice president of public affairs.

Vendors are also striving to teach consumers how to use kerosene heaters properly. For example, Aladdin Industries, Inc. has developed an entertaining yet educational audio/visual presentation on kerosene heaters that can be viewed on Fairchild projectors, according to Ron Bartels, director of marketing.

Aladdin provides brochures at point of sale to show consumers how to select a kerosene heater according to room size. A dealer manual that answers a number of frequently asked questions is also available.

Kero-Sun supplies a 12-page brochure that explains the mechanics of both convection and radiant kerosene heaters, including a detailed diagram of each type of unit.

To educate the trade, Radiant King, Inc. holds sales seminars for distributors and dealers nationwide, explained Joseph Bredau, president. Such topics as servicing heaters and maintaining wicks are discussed during the meetings.

Last August, Radiant King held a consumer service seminar on Long Island. Some 100 people attended. They were invited to bring in any brand kerosene heater to be checked for proper maintenance, Bredau noted.

Robeson, a division of Van Wyck International Corp., supplies counter cards and brochures to dealers, noted William Parks, senior vice president. ''Sales of heaters are still in the upswing of the bell curve,'' he said. ''The Consumer Reports study has made a few people cautious, but most know that the magazine is not right about everything.''

Government gets involved

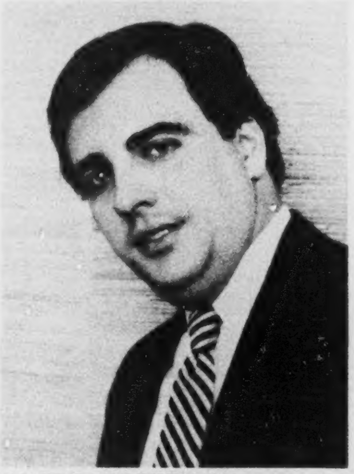
The federal government has stepped in and is funding six public service announcements that detail safety procedures for kerosene heaters, according to Dave Denne, public affairs officer, The Federal Emergency Management Agency, Washington, DC.

''The announcements have been sent to fire training directors across the country,'' he noted. ''Then they are sent to fire officials and given to television stations.''

The announcements tell consumers to take the following precautions when using the heaters:

1. Store kerosene in a well-marked container. Make sure that the fuel is as clear as water. Use only grade K-1 kerosene.
2. Refill the heater outside. Do not overfill.
3. Keep children away from the heater. Do not place it in a high-traffic area such as a doorway.
4. Place the heater three ft. away from walls. Do not place it near combustibles. Heaters should not be used to dry wet clothing.
5. Open a door or window when using a kerosene heater. Do not use it in a tightly confined area.
6. Check heaters regularly for leakage. Clean the wick according to the manufacturer's directions.

(*Continued on page 86*)



SAFETY BROCHURES developed by the NKHA are included with UL-listed kerosene heaters, says J. Thomas Smith, managing director.

We've got more than one way to get your customers cookin'.

When you're looking for microwave cooking accessories, look to LittonWare.™

That's because each LittonWare piece is the perfect combination of form and function. Designed by our research team to be just the right shape, just the right size, and just the right material for fine cooking performance. And LittonWare accessories offer a full array of beautifully illustrated cookbooks and handsomely designed microwave convenience centers.

With the LittonWare line, your customers can find all their microwave accessories in one place: your store.

Nobody knows more about microwave cooking than Litton.

LittonWare MICROWAVE ACCESSORIES

Be sure to visit the LittonWare Profit Plaza at the NHMA Show, Booths L1019, L1021, L1120, L1122.

©1983 Litton Systems, Inc.

NKHA hopes to ban unsafe kerosene units, fights rush of unapproved imports into U.S.

(Continued from page 84)

The public service announcements were developed to help prevent fires, which can only occur when the product is not used properly, Denne stressed. "Several years ago, many fires occurred from misuse of wood stoves," he said. "We don't want the same thing to happen with kerosene heaters, so we're trying to educate the consumers."

Shoddy products hurt

Most kerosene heaters are imported from Japan (where 92 percent of the homes are heated by one or two units). Some are also being brought into the country from Korea and Taiwan.

While the majority of these units meet UL specifications, there has been a recent rush of unapproved product into the country.

"These units may be competitive for a short term," said Bartels of Aladdin. "But the kerosene heaters that have gained consumer franchise will fare the best in the long run."

Gallagher of Pesco Distributors agreed. "There are a lot of get-rich-quick artists who are bringing poor quality products into the country," he admitted.

To prevent these unsafe units from entering the consumers' homes, the NKHA is trying to pass "Model State Legislation" that seeks a tougher uniform law with mandatory safety standards and a comprehensive ban on all unsafe units. This legislation, which has already been adopted by Delaware, Rhode Island, New York, Ohio, Maryland and New Hampshire:

- Requires all portable kerosene heaters to meet minimum safety requirements involving labeling, design, carbon monoxide emissions (all contained in the standards developed by UL);
- Demands conformance with the UL standard be met with a nationally recognized testing laboratory, such as UL;
- Bans the sale of any old style heaters that do not meet the requirements of the statute.

Retailers'views mixed

Although retailers and distributors offered mixed reactions to the safety controversy surrounding kerosene heaters, most of those interviewed—from Hawaii to Indiana—are continuing to sell the product.

"Kerosene heaters sell well in the cooler mountain areas of the island," pointed out Clyde Hamai, owner of Hamai Appliance, Kahului, Maui, HI. His 3,000-sq.-ft. store carries eight Kero-Sun heaters as well as audio and video equipment, other electronics and major appliances.

"When the temperature drops, I call a local radio station at 7 a.m. and tell them to run a few radio spots for the store," he said.

Hamai is currently planning a direct mail campaign of 1,550 pieces to mountain dwellers. "The mailing will include a letter offering a free five-gal. container of kerosene to the first 30 people who buy heaters," he said. "I will also include a brochure explaining the heaters."

In addition, the store runs quarter-page newspaper ads three or four times a year, and displays the heaters in the front window.

Although the Consumer Reports study made some customers leery at first, "they're still buying the heaters," Hamai said. "I point out that Kero-Sun has filed a $41-million suit against Consumers Union."

But Bill Henthorn, president of Lifestyle Distributing, Zionsville, IN, thinks repercussions from the report may take awhile to overcome. "The study stated that the levels of carbon monoxide emitted by the units may be harmful to pregnant women and their fetuses," he pointed out. "People may not want to take any chances after reading that."

Sales of kerosene heaters for Henthorn were ahead of last year until the report hit the newsstands. "During the past month, sales have declined," he said. "But the sultry winter weather hasn't exactly sent customers swarming to the stores for heaters."

After the Consumer Reports study came out, an attorney general in Indiana suggested on a radio broadcast that people should return the heaters to the stores. "Only three were returned—and they hadn't been taken out of the boxes," Henthorn said. "I estimate that there are 60,000 to 80,000 kerosene heaters in use in this state."

Promotions stimulate sales

Promotions have given kerosene heaters a shot in the arm at many stores. This has been true at Richland Ace Appliance, Nashville, said John Guthrie, vice president. "Last September a group of local Ace dealers banded together and promoted the Aladdin Temp-Rite 95 unit for $99.99 (suggested retail is $179.95). I sold 150 units during the 10-day sale."

The stores collaborated and ran 46 30-second television spots on a local

PRIME TIME

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station to advertise the sale. In addition, one three-column by 10-in. newspaper ad promoted the campaign.

In August, the Ace dealers ran the same sale, but did not use TV advertising. Guthrie pointed out, "We only sold 50 units then. The TV ads really helped."

To educate customers, the firm shows the Aladdin audio/visual presentation in the store. "I also keep a lighted kerosene heater there. It attracts attention better than a 10-ft. sign," Guthrie said.

Kerosene heaters are displayed in a center aisle of the store near Aladdin kerosene lamps. "Frequently, customers purchase the lamps as an afterthought when they buy a heater," he said. The firm carries Aladdin, Kero-Sun and Fanco heaters.

SHOW CUSTOMERS how to work a kerosene heater from start-up to shut-down, advise manufacturers. Consumers should also be told how to store fuel when the heating season ends.

Where will the boom in kerosene heater sales lead? According to Stewart Oram, group product manager for vented heaters, Kero-Sun, one possibility may involve a swing to larger units capable of heating more space.

His firm has developed two vented heaters, which also overcome many of the safety problems posed by the smaller units. The Monitor 20 carries a suggested retail price of $850 and the Monitor 30 lists for $999.

"Although these prices are significantly higher than those of the portable units, the vented heaters can be used to heat a 1,500- to 2,000-sq.-ft. area," Oram stated.

Rea Smith, merchandise manager, Keith Simmons Distributors Co., Inc., Nashville, predicted that yet another fuel—propane—might soon become a factor in the U.S. market. "If the right person gets into the federal government, we may see a barrage of propane heaters in the United States," he said. "Propane is cheap and easy to obtain."

In the meantime, Smith, an Aladdin distributor, noted his kerosene heater sales have soared 20 to 25 percent over last year. But he does not see this continuing for long.

"I believe that kerosene heater sales will soon level off," Smith said. He also complained that too many retailers are rushing into what they perceive as a lucrative market.

"Mass merchandisers, grocery stores, even a Honda dealer, are all getting into the business in this area," he said. "If this continues, I may decide to discontinue the heaters."

In the long run, however, it is the consumer's reaction to kerosene heaters that will determine whether the category has real staying power. And much of this consumer reaction is going to be determined by the heaters' safety record this winter.

Figures gathered by the National Fire Incident Reporting System, Washington, DC, illustrate the record for liquid-fueled portable heaters (including kerosene and oil) in recent years:

Year	Number of fires
1979	844
1980	632
1981*	919

Year	Number of injuries
1979	55
1980	36
1981*	115

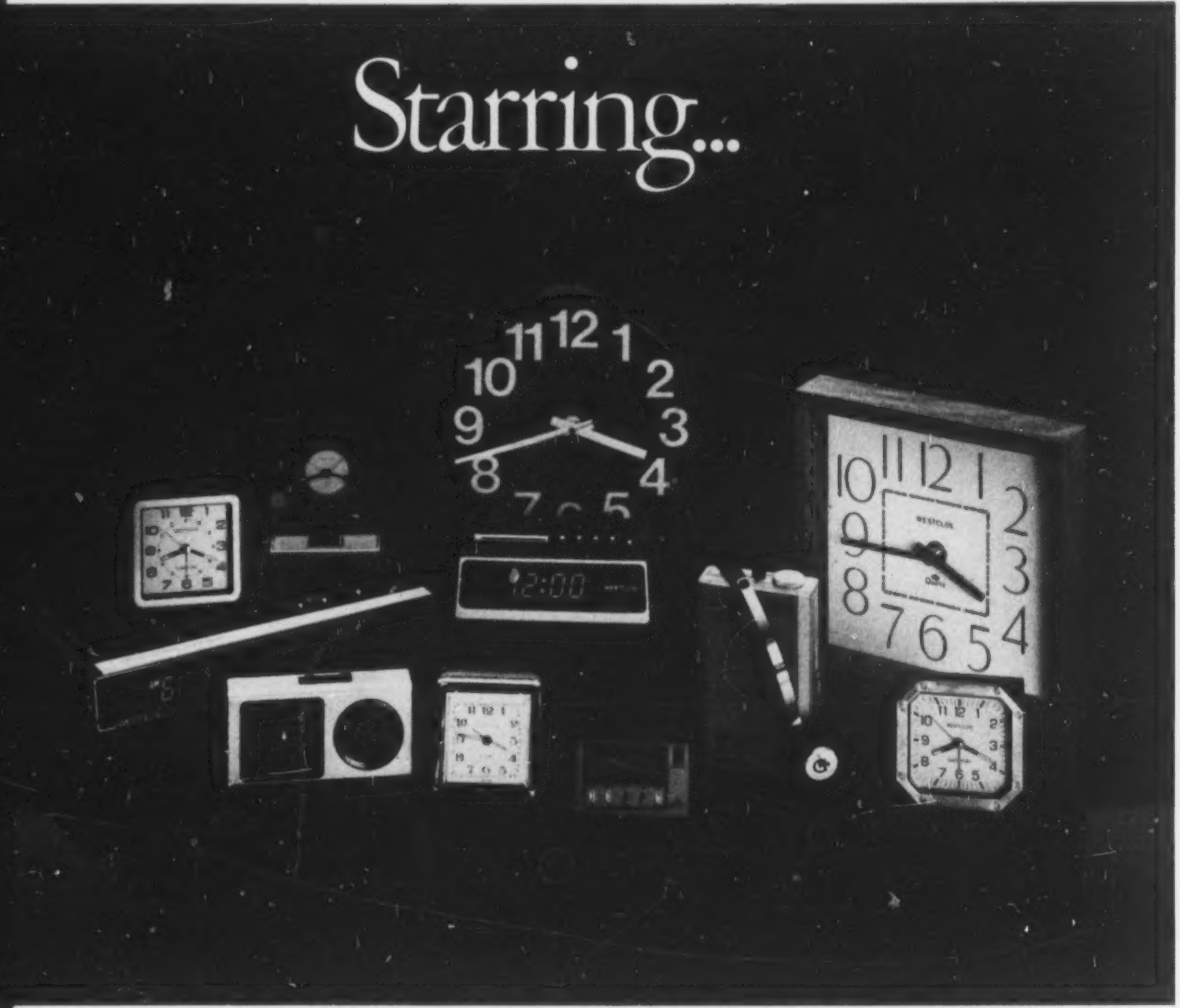
Year	Number of deaths
1979	39
1980	16
1981*	33

*This figure has yet to be fully tabulated.

The vast majority of these mishaps were the result of misuse of the heaters—not product failure. This underscores the need for making sure that consumers are educated and fully understand how to operate the units.

The feeling in the industry is that nothing would hurt kerosene heater sales worse than a series of fires—and the attendant publicity—this winter.

Nothing would help it more than a concerted educational campaign by the manufacturers, other interested parties and, most importantly, the retailers who ultimately place the heaters into consumers' hands.



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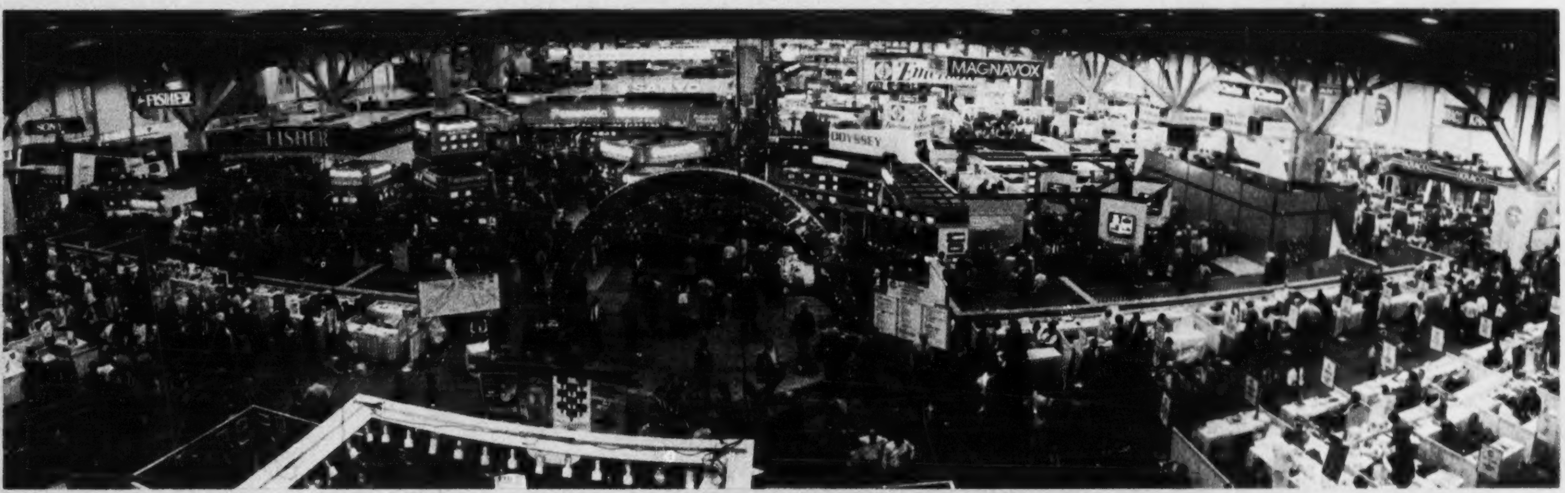
FEBRUARY 1983

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS



Sizzling CES Kicks Off '83 With a Bang!

LAS VEGAS — Crowded aisles, booths jammed through the last day, weary but excited dealers and vendors: all bore testament to one of the most dynamic Winter Consumer Electronics Shows in recent memory. Retailers, coming out of a fourth quarter that generated better-than-expected action in video, personal electronics and even audio, came to Las Vegas ready to buy.

HOUSING SALES SPRING TO LIFE

And government economists predict a seven percent jump in appliance shipments in '83

VIDEOGAMES

and COMPUTERS

Are they dangerous?
What's hot in software?
Who designs those games?
Can the Muppets make it?
Will they last?
How should I sell them?
Has Julie Andrews sold out?
Where are the best profits?

...the answers start on page 31

Vendors jazz up kitchen electrics with a snazzy new European look

Style was everything at the Housewares Show as sophisticated designs hid a lack of innovation

Wood works wonders in

WALL CLOCKS

where the sales soar while prices plummet

New entries energize microwave cookware

CES, NHMA, HOME BUILDERS' SHOW PRODUCT REPORT

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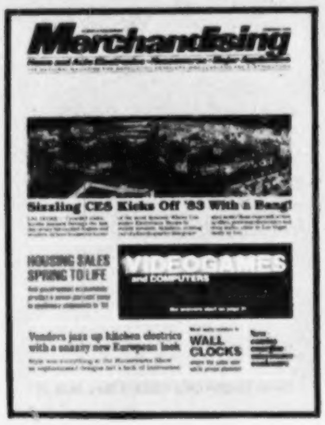

Merchandising

Sizzling CES Kicks Off '83 With a Bang!

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Vendors jazz up kitchen electrics with a snazzy new European look

WALL CLOCKS

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Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

		Last month's Position	Months on Chart
1.	Rocky III *(CBS/Fox)*	9	2
2.	Poltergeist *(MGM/UA)*	11	2
3.	Annie *(RCA/Columbia)*	4	2
4.	Best Little Whorehouse in Texas *(MCA)*	7	2
5.	Star Trek II: The Wrath of Khan *(Paramount)*	1	3
6.	Firefox *(Warner)*	2	3
7.	Tron *(Walt Disney)*	5	2
8.	Reds *(Paramount)*	18	2
9.	Missing *(RCA/Columbia)*	22	2
10.	Chariots of Fire *(Warner)*	14	6
11.	The Boat (Das Boot) *(RCA/Columbia)*	—	1
12.	Diner *(MGM/UA)*	10	2
13.	The World According to Garp *(Warner)*	—	1
14.	Victor/Victoria *(MGM/UA)*	3	3
15.	Star Wars *(CBS/Fox) P*	8	6
16.	Superman II *(Warner)*	19	5
17.	The Thing *(MCA)*	6	3
18.	On Golden Pond *(CBS/Fox)* GI	20	6
19.	Jane Fonda's Workout *(Karl Video)*	30	6
20.	Fast Times at Ridgemont High *(MCA)*	—	1
21.	Night Shift *(Warner)*	—	1
22.	Conan the Barbarian *(MCA)*	13	5
23.	The Sword and the Sorcerer *(MCA)*	—	3
24.	Arthur *(Warner)*	16	6
25.	Richard Pryor Live on Sunset Strip *(RCA/Columbia)*	17	2
26.	Escape from New York *(Embassy)*	12	3
27.	Playboy Video *(CBS/Fox)*	21	3
28.	I Ought to be in Pictures *(RCA/Columbia)*	—	1
29.	Sharkey's Machine *(Warner)*	15	6
30.	Cheech and Chong's Things are Tough All Over *(RCA/Columbia)*	—	1

Top 10 in videocassette sales

1.	Jane Fonda's Workout *(Karl Video)*	2	7
2.	Star Trek II: The Wrath of Khan *(Paramount)*	1	5
3.	Rocky III *(CBS/Fox)*	7	2
4.	Annie *(RCA/Columbia)*	3	2
5.	Poltergeist *(MGM/UA)*	—	1
6.	Compleat Beatles *(MGM/UA)*	4	3
7.	Star Wars *(CBS/Fox)*	5	7
8.	Playboy Video *(CBS/Fox)*	6	2
9.	Best Little Whorehouse in Texas *(MCA)*	—	1
10.	Firefox *(Warner)*	—	1

Top 5 in CED videodisc sales

1.	Rocky III *(CBS/Fox)*	—	1
2.	Star Trek II: The Wrath of Khan *(Paramount)*	1	2
3.	Playboy Video *(CBS/Fox)*	—	1
4.	On Golden Pond *(CBS/Fox)*	—	5
5.	Star Wars *(CBS/Fox)*	4	5

Top 5 in laserdisc sales

1.	Star Trek II: The Wrath of Khan *(Paramount)*	—	1
2.	Tron *(Walt Disney)*	—	1
3.	Rocky I *(CBS/Fox)*	—	1
4.	Murder, Anyone? *(Vidmax)*	—	1
5.	Playboy Video *(CBS/Fox)*	—	1

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I—Golden Videocassette award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

COLUMBIA

THE BOAT (1982) German-made movie about a German sub and its crew's fight for survival in the North Atlantic during World War II. *PG Stereo.*

DR. STRANGELOVE (1964) A group of war-eager military men brings the world to the brink of nuclear disaster and beyond in this black comedy produced and directed by Stanley Kubrick. Also stars George C. Scott, Sterling Hayden, Peter Sellers, Keenan Wynn and Slim Pickens. *B/W NR.*

JABBERWOCKY (1977) Several members of the Monty Python troupe are featured in this Medieval comedy about King Bruno the Questionable. Directed by Terry Gilliam. *Color PG.*

TO SIR WITH LOVE (1967) Sidney Poitier portrays a school teacher in London's tough East End who wins the respect and admiration of his students by treating them as adults.

THE WAY WE WERE (1973) A memorable romance starring Robert Redford and Barbra Streisand. Throughout college and the years after, the two are as attracted to each other as they are opposite each other. *Color PG.*

DISNEY

THE AMAZING APES, THE SECRET WORLD OF REPTILES, MYSTERIOUS MINIATURE WORLD, THE CARNIVORES, PREDATORS OF THE SEA. Wildlife expert and adventurer Bill Burrud produced these titles for videocassette. Dramatic footage of the animal kingdom both on land and beneath the sea highlights the tapes.

FROG PRINCE Hosted by Kermit, this is the story of a beautiful princess in search of her noble prince.

HEY CINDERELLA The classic story with a few Hensonesque twists. Kermit the Frog, for instance, drives the golden coach taking Cinderella to the ball.

MUPPETS MUSICIANS OF BREMEN Jim Henson's Muppets star in this tale about four runaway animals that form a Dixieland band. Narrated by Kermit the Frog.

EMBASSY

BLADE RUNNER (1982) Futuristic tale has Harrison Ford as a detective whose job is to track down and destroy four renegade "replicants"—genetically engineered humans of superior intelligence and strength. Cassette contains scenes edited out of the theatrical release. *Color R 117 minutes. C: $39.95 CED: $29.95.*

ELTON JOHN: VISIONS (1982) Elton John and more than 100 actors and actresses star alongside lasers and other visual effects in this musical and visual feast. *Color 45 minutes Stereo C: $49.95 CED: $49.95.*

ROD STEWART: TONIGHT HE'S YOURS (1982) The gravelly voiced English rock performer stars in a concert filmed at the Forum in Los Angeles. Special guest is Tina Turner. Stewart sings Do Ya Think I'm Sexy, Maggie May, You're In My Heart and other hits. *Color 90 minutes C: $49.95 CED: $21.95.*

MGM

YES GIORGIO (1982) World famous tenor Luciano Pavarotti stars in his film debut as, what else, a romantic singer. Music includes I Left My Heart in San Francisco, If We Were In Love and arias by Verdi, Ponchielli, Donizetti and Puccini. *Color PG 111 minutes C: $79.95.*

INVITATION TO DANCE (1956) Gene Kelly starred in, directed and choreographed this film which the NY Times called extraordinary. *Color NR 93 minutes C: $59.95.*

SONY

SONY
J.R.R. TOLKIEN'S
THE HOBBIT

THE HOBBIT J.R.R. Tolkien's classic tale of a peaceful people threatened by dark forces. Animated. *Color.*

VESTRON

HERE IT IS, BURLESQUE The Queen of Burlesque, Ann Corio, stars in this tribute to the art. Included are stripteasers, comedians, exotic dancers and sketches. *Color 88 minutes.*

TRIBUTE Jack Lemmon received an Academy Award nomination for his portrayal of a dying man determined to reconcile with his son Jud (Robby Benson). Adapted from dramatist Bernard Slade's Broadway hit. *Color PG 125 minutes.*

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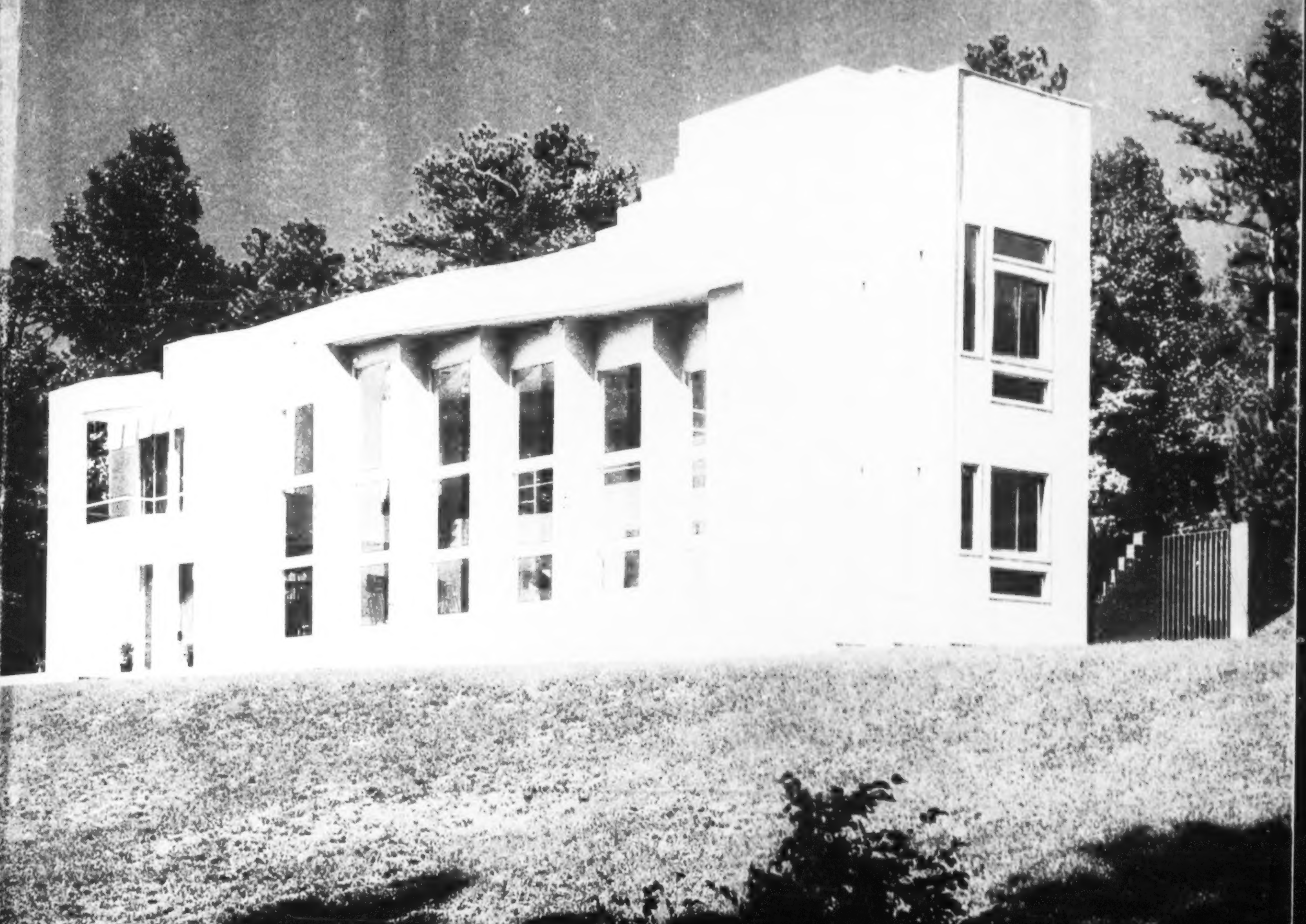
THE MAGAZINE OF THE NATIONAL ASSOCIATION OF HOME BUILDERS

OCTOBER 1982



BUILDER MAGAZINE

BUYS

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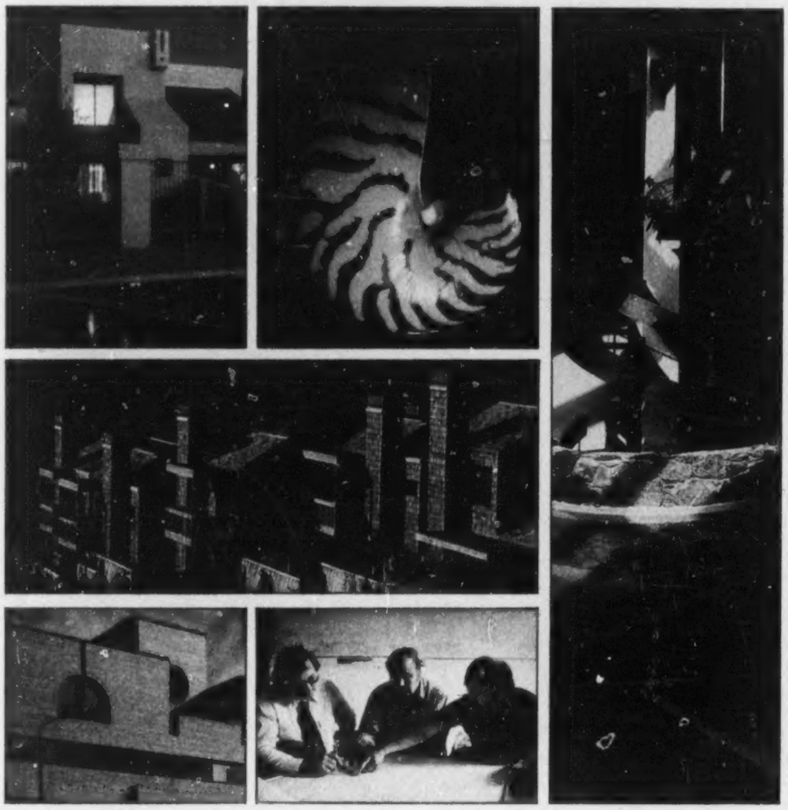


30 WINNERS

There were 97 award-winners in the 1982 Builder's Choice program, a design competition co-sponsored by BUILDER and *Better Homes & Gardens* magazine. All of them are featured in this issue, and taken together they at once show the great diversity of work being done in the housing industry, even during down times, and highlight important trends in housing design, particularly the move toward higher density development. The story also includes a profile of two influential architectural firms, Berkus Group Architects and Fisher-Friedman Associates, which were the biggest winners in this year's awards program. (Cover: Schettini residence, Richmond, Va. Photo: William Mills) warned that the growing popularity of 30-month certificates, which enable savers to lock in high yields when rates start down, could slow the decline in the cost of funds and therefore home mortgage rates.

The certificates now comprise 23 percent of all deposits at S&Ls, second only to six-month certificates with 34 percent.

Some of the 30-month certificates, taken out when their rate was as high as 16.55 percent, still have 18 months until maturity, Green said.

As a result, "it is unlikely that mortgage rates will fall fast enough to prompt a meaningful housing recovery before next spring," said Green.

Nevertheless, builders are encouraged by the recent declines in rates. The August Builders Economic Council survey conducted by the NAHB Economics Division showed that 54 percent of the respondents believed sales of new single-family houses would be fair to excellent during the next six months. That's up from only 23 percent in July.

In addition, 25 percent of responding builders reported current sales of single-family houses as fair to excellent compared with 13 percent the month before.—C.A.

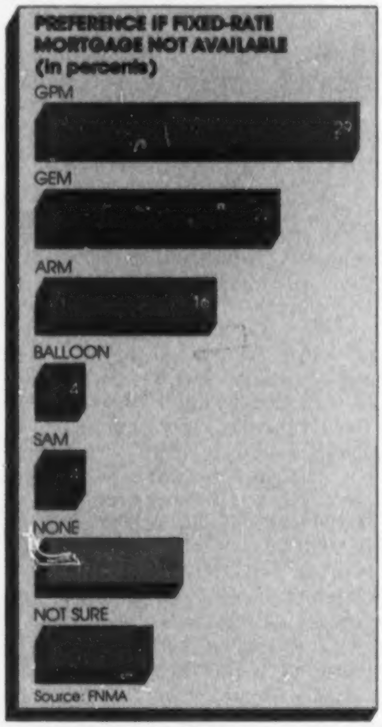
FINANCE

BUYERS WOULD ACCEPT ARMS—IF THEY UNDERSTOOD THEM

If the real estate industry did a good job of explaining the new alternative mortgages to home buyers a surprising number of buyers would take them—even if traditional fixed-rate mortgages also were offered.

That was one major finding of a nationwide survey conducted by Louis Harris and Associates for the Federal National Mortgage Association (Fannie Mae).

The findings released last month resulted from a survey in spring 1982 of approximately 1,000 homeowners and renters. Titled "Buying a Home in the 1980s: A Poll of American Attitudes" the survey is the first comprehensive effort to find out whether the desire for homeownership has abated in the face of high interest rates, high home prices and strange mortgages as well as how the public feels about specific new mortgages.



Source: FNMA

Saying he was "not astonished" by any of the survey results, David Maxwell, chairman and chief executive officer of Fannie Mae, explained that they reinforce the idea that the industry must do a better job of educating the public. He was referring to the fact that a third of those interviewed could describe how at least one alternative mortgage worked. Harris thought that was a low recognition rate.

"This survey has a message for all of us concerned with the recovery of housing in America," Maxwell said. "Interest rates are not the only deterrent to prospective buyers. A major obstacle is their unfamiliarity with the new kinds of mortgages that can make homeownership more affordable."

Before the various alternative mortgages were explained to them, he said 72 percent of the survey respondents believed most home buyers would prefer a traditional fixed-rate mortgage even if an alternative were available at an appreciably lower interest rate.

After being informed about five alternative mortgages, however, only 53 percent said they preferred a fixed-rate loan, while 38 percent favored an alternative.

Although no new mortgage emerged as the clear favorite, growing equity mortgages (GEMs) and graduated payment mortgages (GPMs) were the most popular. Balloons and shared appreciation mortgages (SAMs) were least liked (see table).

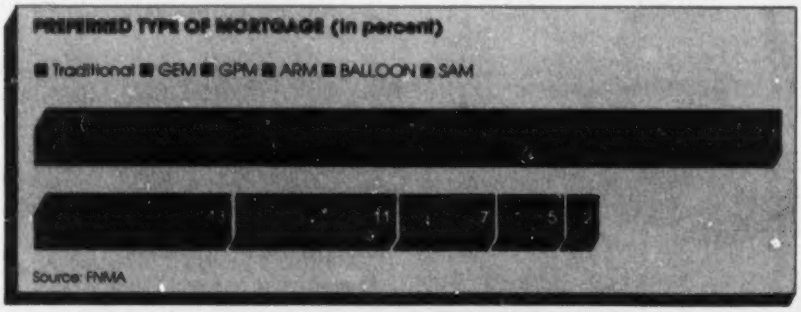
(It should be noted that the survey was taken in March and April when fixed-rate mortgages were in the 17 percent range. That may help explain the relatively low preference for fixed-rate loans.)

If a fixed-rate loan were not available, the largest proportion (29 percent) of respondents chose a GPM (see table). The preference for adjustable rate mortgages (ARMs) increased to 22 percent when there was a ceiling on how much payments could increase each adjustment period.

When choosing between a fixed-rate and an ARM, respondents based their decisions on the difference in interest rates. When the differential was three percentage points, for example a 17 percent fixed-rate and a 14 percent ARM, 47 percent said they would take the ARM and 39 percent preferred the fixed-rate loan.

But when the rate difference dropped to 1.5 percentage points only 35 percent chose the ARM, with 48 percent opting for the fixed-rate.

Respondents also said they



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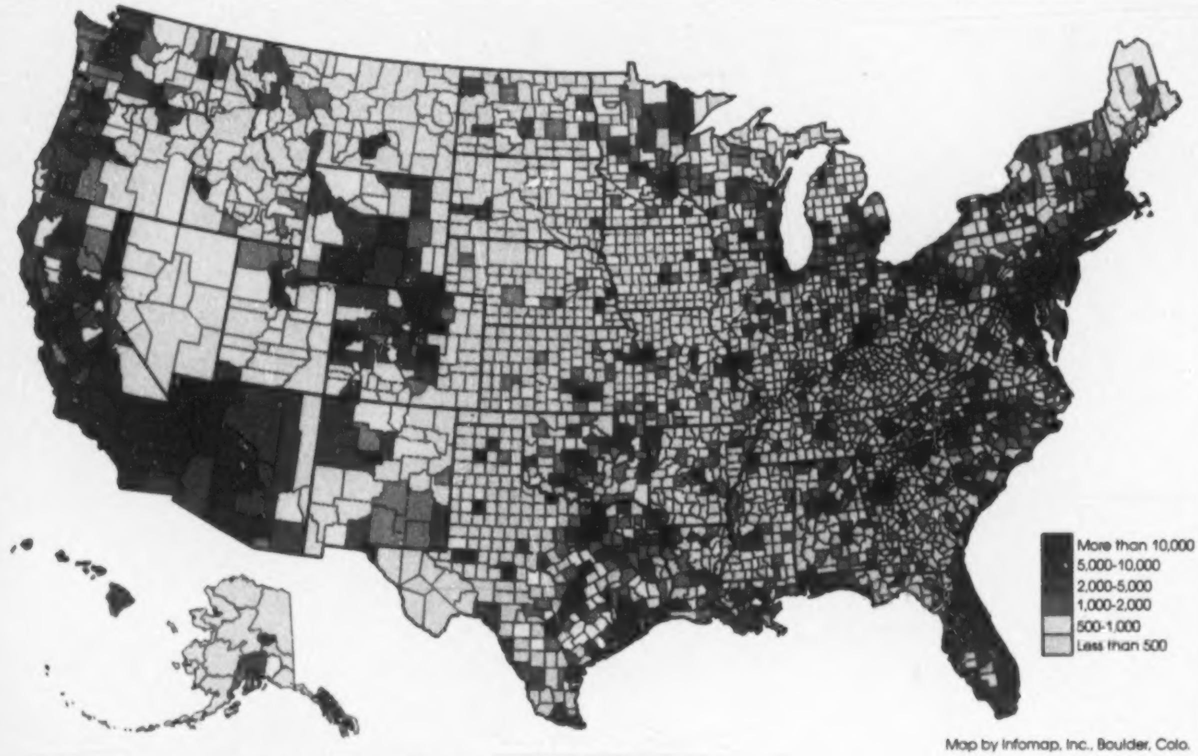

Map by Infomap, Inc., Boulder, Colo.

THE STARTS COUNT, COUNTY BY COUNTY

The greatest number of housing starts from 1982 to 1986 will be in the Sunbelt, according to a county-by-county forecast by NAHB's Econometric Model Forecasting Service. More surprising is the high starts forecast in large metropolitan areas, even those in the Northeast and North Central regions. The reason: That's where the population still is concentrated.

would be willing to swallow more frequent rate changes in exchange for a cap on the overall increase.

Of the eight kinds of ARMs Fannie Mae now offers, the largest proportion (47 percent) of respondents picked Plan 8, which allows payment and rate changes once a year with a maximum rate change of 2 percent each year.

The survey also revealed—not surprisingly—that the desire for homeownership is as strong as ever.

Of those interviewed, 71 percent expected their next move to be into a home they own. But they were worried about affordability: 91 percent believe two paychecks are necessary to meet monthly mortgage payments.

Maxwell said Fannie Mae will use the survey results to refine its current mortgage products, but he expects the multiplicity of alternative mortgages to persist. "Different types of mortgages appeal to different market segments," he said.

Other survey findings:

- 22 percent expected the sales price of homes in their area to increase "a lot" in the next two or three years;
- 38 percent expected to move in the next three to five years;
- 41 percent of renters who moved in the last five years said they had wanted to buy a home but didn't do so mainly because they didn't have the down payment;
- Homeowners said their principal reason for buying was investment. Tax reasons came in third behind the desire to establish roots. —C.A.

GOVERNMENT

NEW TAX LAW MAY HELP HOUSING

The tax law Congress passed in late August contains several provisions that benefit the housing industry.

Most important, it eased restrictions on the use of tax-exempt mortgage revenue bonds. The new law requires that 90 percent of the proceeds from the sale of single-family bonds go to first-time home buyers. Previously, 100 percent of the proceeds had to be used that way.

Purchase price limits were increased from 90 to 110 percent of the average area purchase price (the price limit rose from 110 to 120 percent in economically depressed target areas).

And the ceiling on arbitrage—the difference between the rate paid to the bond holder and the rate charged to the home buyer—was increased ⅛ percent to 1⅛ percent. That should make it easier for bond issuing agencies to cover administrative costs.

In addition, the new law no longer requires issuing agencies to dispose of non-mortgage investments at a loss in order to meet limitations on such investments.

The law also made some favorable changes in regulations governing multifamily bonds. It clarified the definition of low and moderate-income households, making it the same as the Section 8 definition except that the income limit is 80 percent of area median income

see TAX LAW p. 26

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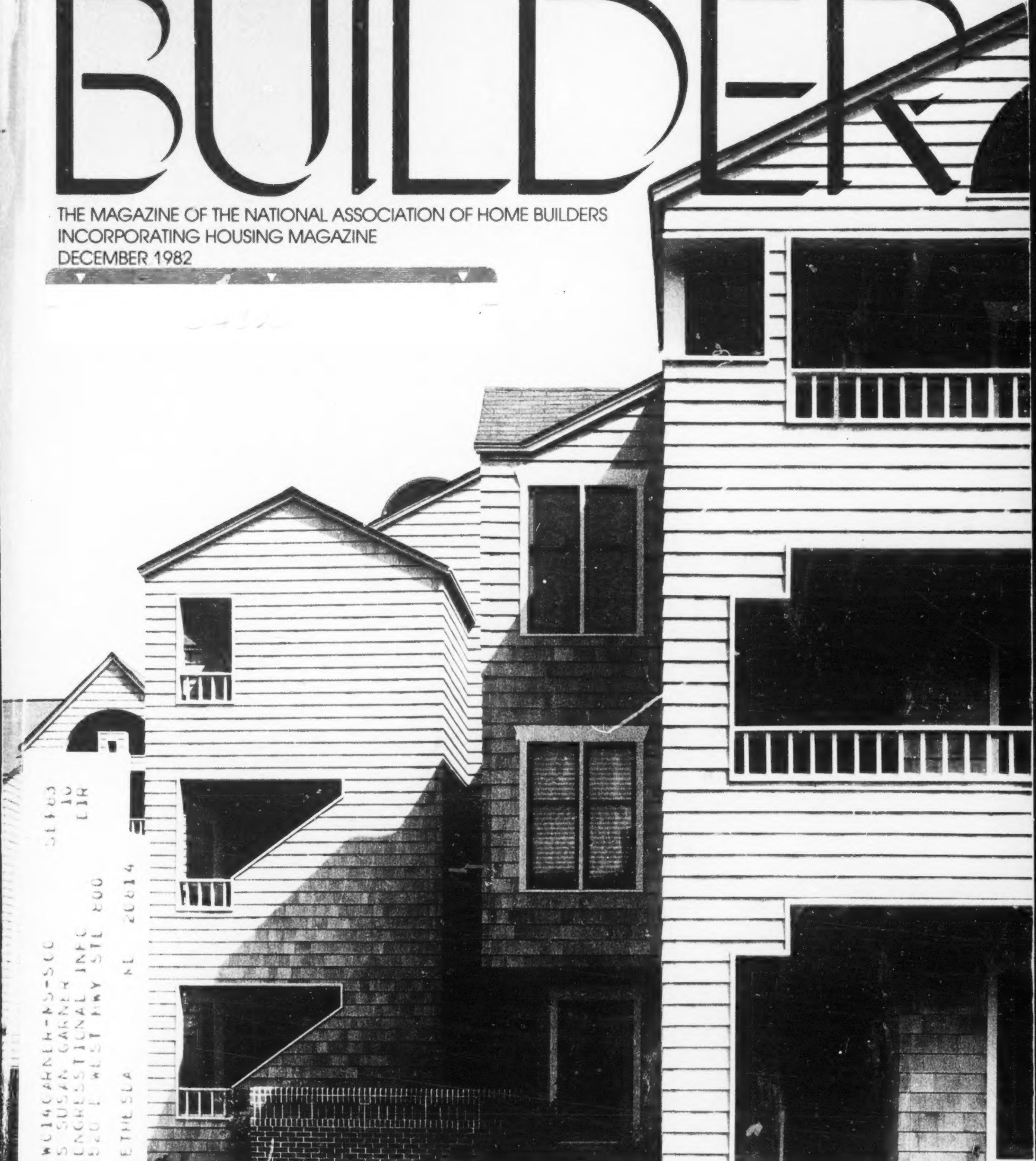

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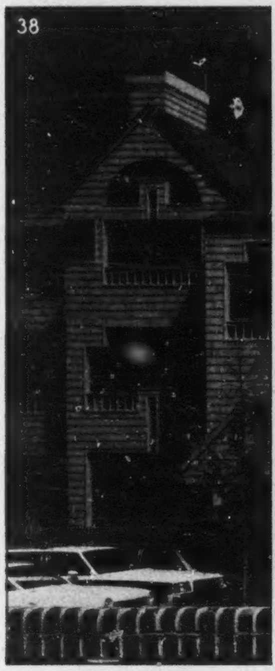
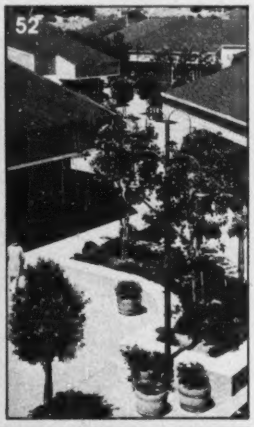




38 URBAN IN-FILL
When city residents began leaving in-town neighborhoods 25 years ago, most builders left with them. Now, buyers and builders are coming back and breathing life into blighted areas in cities of all sizes.

(Cover: Barringer Square, Charlotte, N.C. Photo: Gordon Schenck for Shakertown Corporation)

44 CLUSTERING
Look-alike houses. Same size lots. Straight streets. That describes the all too typical subdivision. Four projects in New England show how to break that predictable pattern by clustering units and saving pockets of open space.

52 NON-RES: MIXED USE
Two uses can be better than one when it comes to putting together a commercial project. The final part of a four-part series describing nonresidential opportunities.

58 GROUND BREAKERS
Can a house have almost everything home buyers say they want in a new home and still be affordable? It can if it's the 1982 Dream House, a very real home designed by Florida architect Joe Greenberg for the American Plywood Association and *Family Circle* magazine.

GET OUT OF NON-RES

Michael Sumichrast
NAHB Chief Economist

More and more home builders have diversified in the past few years. Why? To ride out the recession, which has caused the total value of new construction put in place to remain virtually unchanged at about $230 billion for the last four years.

Five years ago housing accounted for 47 percent of the total; this year it will account for only 33 percent, a 30 percent drop. Nonresidential construction has made up the difference, and this year will account for 27 percent of total new construction.

The strength and growth of the nonresidential sector runs through almost every category of commercial construction. Industrial building activity now accounts for 7.5 percent of total construction activity, up from 4.4 percent in 1977. During the same time, office buildings' share increased from 3 percent to 8.3 percent and other buildings' share jumped from 5.5 percent to 7.5 percent. Hospitals, schools and churches accounted for the other nonresidential activity and about 3.5 percent of total commercial activity.

While new housing construction fell, and nonresidential construction increased, remodeling's share of total construction activity stayed about the same —8.5 percent—from 1977 to 1982.

In other words, the nonresidential sector has been the bulwark of the building industry since 1977. But that is going to change.

Next year housing will rebound, with the value of residential construction increasing by 19 percent from $76 billion to $95 billion. New housing will account for $71 billion of that, up from $53 billion this year. That's an increase of 34 percent.

Much of the gain will be in single-family housing, which will be up to $52 billion in 1983, a 44 percent increase from a low of $36 billion in 1982. The value of two-or-more-unit structures should increase nearly 12 percent to $19 billion, and the share for additions should be up 5 percent to $20 billion.

NAHB forecasts 1.35 million housing starts next year, a 25 percent increase from this year. Single-family starts should reach 776,000 units next year, and multifamily starts should hit 588,000.

At this point builders should take heat in the increases in residential activity, because diversification is looking like a worse bet than it was during the late 1970s. In 1978 the value of nonresidential construction increased by 26.5 percent; in 1979, 30 percent; in 1980, 17.1 percent. However, in 1981 the increase was only 9.7 percent, and this year it was only 3.6 percent.

The news for next year is bad. Nonresidential activity is expected to decline about 5 percent to $60 billion, from the record $63 billion spent this year. For the first time ever this year the value of nonresidential construction exceeded the value of new housing units—$63 billion versus $53 billion.

Overbuilding is to blame for the expected drop in office construction. Last year, according to F.W. Dodge, 317 million square feet of office space were completed while demand dropped, according to various sources, to only 170 million square feet. Demand has dropped because foreign investors, particularly Canadians, are leaving the market, oil money is leaving and the white collar work force has stopped growing.

The recession also has hurt industrial building. Capacity utilization is less than 70 percent, and few manufacturers need to expand. Peak volume for industrial space was 243 million square feet in 1979. This year only 115 million square feet of space will be added, a figure 33 percent lower than the previous low reached during the 1975-76 recession.

Construction of offices and warehouses has been on a plateau since 1979, as far as expenditures are concerned. In terms of space, it peaked in 1979 at 300 million square feet and by 1982 had declined almost 50 percent to 160 million square feet. This sector will improve in 1983, but only marginally.

Church and school construction has been a stagnant sector for several years. Hospital construction will amount to $5 billion next year, or about the same as this year. Total space built for churches, schools, hospitals and other public buildings has declined from 450 million square feet in the early 1970s to about 300 million square feet in 1980. During the past two years it has declined even more, to 250 million square feet, and it's expected to stay the same next year.

All in all, housing will be the only component in the construction industry that will show a reasonably good increase in 1983. But remember, that big percentage increases comes from a small base. Housing still has a long way to go before approaching a boom period.

ANNUAL VALUE OF NEW CONSTRUCTION PUT IN PLACE IN THE UNITED STATES
(in billions of current dollars)

	1982	1983	Change 1982-83
Total new construction	**$228.0**	**$244.0**	**7.0%**
Private construction	178.0	193.0	8.4
Residential buildings	76.0	95.0	25.0
New housing units	53.0	71.0	34.0
One unit	36.0	52.0	44.4
Two or more units	17.0	19.0	11.8
Non-housekeeping	4.0	4.0	-0-
Additions and alterations	19.0	20.0	5.3
Nonresidential buildings	63.0	60.0	- 4.8
Industrial	17.0	16.0	- 5.9
Office	19.0	16.0	-15.8
Other commercial	17.0	18.0	5.9
Religious	2.0	2.0	-0-
Educational	1.0	1.1	10.0
Hospital and institutional	5.0	5.0	-0-
Miscellaneous	2.0	2.0	-0-
Farm nonresidential	5.0	5.0	-0-
Public utilities	33.0	32.0	- 3.0
All other private	1.0	1.0	-0-
Public construction	50.0	51.0	

Source: NAHB Forecasting Service

NEWS

ECONOMY

ECONOMISTS FORECAST GRADUAL RECOVERY IN 1983

Housing starts will improve gradually in 1983 and mortgage rates will moderate, but the continuing weakness of the economy and structural changes in the thrift industry will prevent a major housing boom.

That is the latest forecast outlined at NAHB's semiannual residential construction forecast conference held in late October.

NAHB predicted that housing starts will climb to 1.36 million units next year, up 30 percent from 1982's estimated 1.05 million starts.

"That's a large percentage increase, but not much in actual units because of the low base in 1982," pointed out Bob Sheehan, NAHB's associate chief economist.

NAHB predicts that the increase in starts will be gradual but steady, building from an annual rate of 1.29 million in the first quarter to 1.44 million in the fourth quarter.

Much of the improvement will come in the multifamily sector, particularly for-sale condominiums which are expected to jump 50 percent to a record 256,000 starts in 1983 after rising 16 percent in 1982.

Despite the phase-out of federally subsidized housing programs, Sheehan predicted rental starts also will increase substantially due to the efforts of state housing finance agencies, the developing shortage of rental units and favorable depreciation provisions of the 1981 tax act.

In addition, rent increases outpaced inflation in 1982 for the first time in several years. As a result, rental construction should be more attractive and financially feasible.

Multifamily starts overall, both condos and rental apartments, will jump 41 percent from 420,000 in 1982 to 590,000 next year, according to NAHB's forecast. Multifamily's share of all starts will increase to 44 percent from 41 percent this year.

Single-family starts will rise 22 percent from an estimated 640,000 units this year to 780,000 in 1983.

"The early part of the recovery will center around multifamily," Sheehan said. "Single-family will follow."

Leonard Santow, senior vice president of J. Henry Schroder Bank & Trust, agreed that "the groundwork has been laid for a sustained recovery." Santow predicted 1.4 to 1.5 million starts next year—if interest rates continue to decline as expected. But he warned that the starts picture probably won't improve much until next summer.

Most of the housing demand next year will be at the low and high ends of the market, Santow predicted.

"The investment motive for buying a home is no longer strong, so people sitting in that second home won't reach for a third home. Consequently, upper-middle priced tract housing won't improve much," he said.

Most economists attending the forecast conference agreed that interest rates will gradually decline until early next year and stay fairly stable for the rest of 1983.

NAHB's Sheehan predicted that conventional mortgage rates would fall to a low of 12 or 12.5 percent early next year with the prime rate dropping to 9 percent.

Santow agreed that fixed-rate mortgages won't drop below 12 percent, because recent deregulation legislation allows thrifts to diversify their investments.

In addition, thrifts' new ability to offer accounts similar to money market funds may raise their cost of funds and, consequently, keep mortgage rates relatively high.

Few participants expect interest rates to take off again next year because both the Federal Reserve Board and the Reagan Administration appear to be backing away from doctrinaire economic policies and becoming more pragmatic.

Forecasters believe the Fed should have little reason to tighten credit conditions next year because inflation is expected to continue to dissipate. Although the federal deficit will loom large, private sector borrowing will be weak and that should prevent another round of inflation and high interest rates— at least for a year.

But the burgeoning deficit all but dooms prospects for two million annual housing starts, according to Robert Weintraub, chief economist of Congress's Joint Economic Committee.

"The increase in defense spending is taking those resources," he explained.

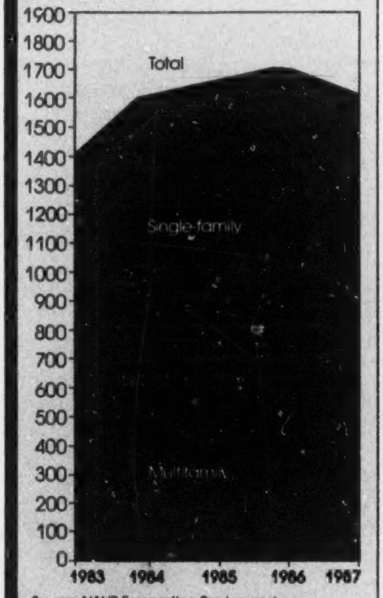
George Christie, chief economist of McGraw-Hill Information Systems,

NAHB's HOUSING STARTS FORECAST FOR 1983
(annual rate, millions of units)

	1983	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total	1.36	1.29	1.33	1.38	1.44
Single-family	0.78	0.74	0.75	0.78	0.82
Multifamily	0.59	0.55	0.58	0.60	0.62

Source: NAHB Forecasting Service and U.S. Census Bureau

NAHB's 5-YEAR FORECAST OF HOUSING STARTS
(thousands of units)



Source: NAHB Forecasting Service and United States Census Bureau joined NAHB in predicting modest improvement for housing next year. At the Dodge/Sweet's Construction Outlook conference, also held in late October, Christie predicted 1.35 million starts in 1983 and conventional mortgage rates as low as 12 percent by midyear.

Nonresidential construction won't begin to recover until late 1983, he said, and it will take two years to work off the excess in office building before that sector can come back.—C.A.

ECONOMY

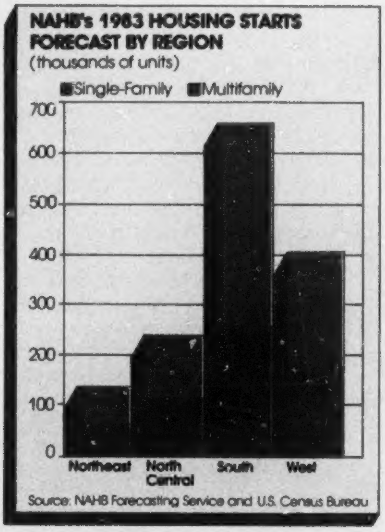
WEST AND NORTH CENTRAL WILL MAKE BIGGEST GAINS

Housing starts will increase most in the Western and North Central regions next year—the regions hit hardest by the housing recession—predicted NAHB at its residential construction forecast conference in October.

In the West, starts are expected to jump 70 percent from 220,800 units in 1982 to 376,100 next year. In the North Central, starts should surge nearly 45 percent from 157,800 to 228,300.

The smallest percentage increase will occur in the Northeast where starts are predicted to improve a modest 8.6 percent from 111,700 units this year to 121,300 in 1983.

The South, which was most resistant to the recession, is expected to experience a 14 percent increase in starts from 562,200 to 639,100 in 1983.—C.A.



NAHB's 1983 HOUSING STARTS FORECAST BY REGION
(thousands of units)

Source: NAHB Forecasting Service and U.S. Census Bureau

MARKETING

IRVINE SALES EFFORTS BRING BACK THE GOOD OLD DAYS

A camp-out, lottery, quick sell outs—it was just like the good old days for the Irvine Company of southern California.

"We haven't seen camp-outs around here for at least a year," commented Dan Carlsson, spokesperson for the Irvine Company. But in late July 40 people lined up for several days for the opening of Vista Filare, a single-family detached project in Irvine.

They were there to pay $2,000 for an option to buy one of the 18 units planned for phase 1. All 18 sold within a week, Carlsson said.

Under the option program, which Carlsson said is relatively new to southern California, the buyer locks in the purchase price and has six to 12 months until the home is delivered to gather the down payment, sell an existing home and shop for financing.

In addition, option buyers have 45 days to pull out and get a full refund.

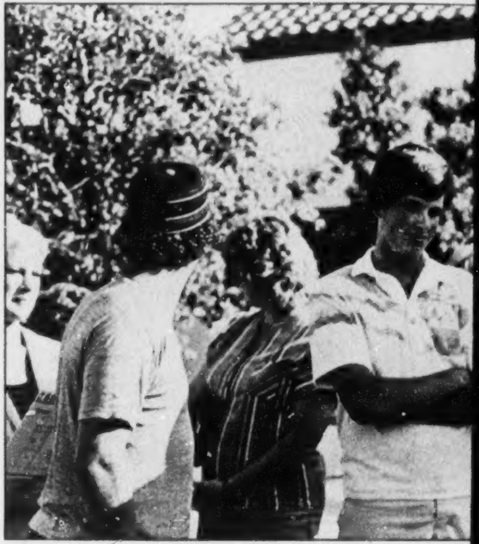
"After 45 days, the builder can start construction with strong assurance that the person will buy the home," Carlsson said. "It's a way to prevent contracts from falling through."

He attributed the project's initial success to the $120,000 to $150,000 sales prices—considered affordable for detached houses in Irvine—and graduated payment financing starting at 11⅝ percent and rising 1 percent a year to a maximum of 14⅝ percent.

The six floor plans with one to three bedrooms range from 1,058 to 1,589 square feet. A total of 268 houses, built by the Irvine Company's subsidary Irvine Pacific, are planned for the 38-acre site.

In addition to the camp-out at Vista Filare, the company found itself back in the lottery business for the October opening of Woodbridge Alders, also in Irvine. Nearly 470 people signed up for the lottery and a chance to buy one of 32 condominiums offered in the first phase.

Once again the draw was the winning combination of affordable prices and favorable financing. The two and three-bedroom units with 1,060 to 1,267 square feet sold for $87,000 to $104,750.



Mortgage revenue bonds issued by Orange County provided 30-year fixed-rate financing at 13.25 percent (APR). To qualify, buyers could not earn more than 120 percent of the median county income, or about $34,000 a year.

The project attracted mostly first-time buyers, including many singles and young married couples without children.

To avoid the "barracks look" sometimes associated with moderate-income housing, the four to eight-unit, two-level buildings feature recessed windows, overhangs, varied roof lines and stucco exteriors.—C.A.

FINANCE

ALL-SAVERS CERTIFICATE GOES OUT WITH A WHIMPER

The All-Savers Certificate due to expire at the end of December was supposed to generate an additional 200,000 to 300,000 housing starts this year, but it was pretty much a bust.

Its effect on housing was negligible and depository institutions—the primary beneficiaries of the tax-exempt nomical amenity. They can look through an "idea book" of more than 150 decks to select one for Archadeck to add to their home. Most settle on a simple rectangular design.

Grossberg promotes the deck not simply as an amenity, but also as usable extra living space. He thinks the deck is an escape area, and that it should please visually. One of the most pleasing qualities of a deck is its lightness, so Grossberg "floats" his pressure-treated pine decks on post and beam supports instead of through-posting, which ties the deck to the ground visually. He trims edges left ragged by many builders, and uses pneumatic nailers to reduce construction time and to recess the nails for a more finished look.

Since early 1980 Archadeck has installed decks on houses in eight Richmond-area subdivisions, including homes built by Ryland, one the area's largest builders. Grossberg's revenue was $80,000 in 1980, double that in 1981 and this year it will probably double again.

A Virginia builder experimenting with Grossberg's marketing and construction packages outside the Richmond market has also increased revenue and reduced his work time.

Grossberg hopes next to expand into the Washington, D.C.-Baltimore corridor, eventually decking out the whole Middle Atlantic region. - D.W.

Richmond, Va., builder Rick Grossberg has doubled his revenue the past two years by standardizing deck construction and design, and by tailoring his marketing to his builders' needs. Grossberg's company, Archadeck, builds standard and custom designs in pressure-treated pine.

PRICES

HOMEOWNERSHIP COSTS SHRINK

The cost of owning an existing house slipped a notch from the second to the third quarter of this year thanks to receding mortgage rates and the slow pace of home price appreciation.

Statistics compiled by the National Association of Realtors (NAR) on 15 of the nation's largest metropolitan areas show that the principal and interest payment on the average-priced existing single-family home declined 3 percent ($26) to $838 during the period.

Total housing costs, including taxes, utilities and insurance as well as principal and interest, declined by 1.8 percent ($20) to an average of $1,093.

"Ten of the 15 cities in our survey actually experienced declines in mortgage payments since mid-summer," said Jack Carlson, NAR's chief economist, "and all of them are projected to enjoy declines in monthly costs through the end of this year."

Monthly payments, however, varied widely from city to city. Average payments were highest in San Francisco ($1,500), lowest in Detroit ($543).

The NAR survey also showed that, in general, the average selling price of existing homes rose at a slower pace than inflation.

Nationally, prices increased only 3.4 percent from the fall of 1981 to the fall of 1982. Prices climbed most in Minneapolis, up 8.5 percent, and Washington, D.C., up 6 percent. But prices actually fell in two of the cities surveyed: Detroit, and Philadelphia.

The decline in monthly payments and appreciation rates means that existing homes are more affordable.

Adding to affordability is the extensive use of "blend" mortgages, which can reduce mortgage rates by 3 to 5 percentage points below market. Carlson said 70 percent of existing home sales involve blends.—CA

MONTHLY PRINCIPAL AND INTEREST PAYMENTS

	Spring 1982	Fall 1982	Change
United States	**$ 864**	**$ 838**	**-$26**
San Francisco	1,504	1,500	-4
Los Angeles	1,412	1,365	-47
New York	1,099	1,083	-16
Wash., D.C.	1,048	1,020	-28
Houston	1,004	946	-58
Boston	810	838	28
Milwaukee	762	794	32
Minneapolis	787	773	-14
Atlanta	824	772	-52
Chicago	791	746	-45
Baltimore	759	707	-52
St Louis	697	705	8
Philadelphia	629	663	34
Pittsburgh	626	628	2
Detroit	554	543	-11

AVERAGE PRICE OF EXISTING HOMES SOLD

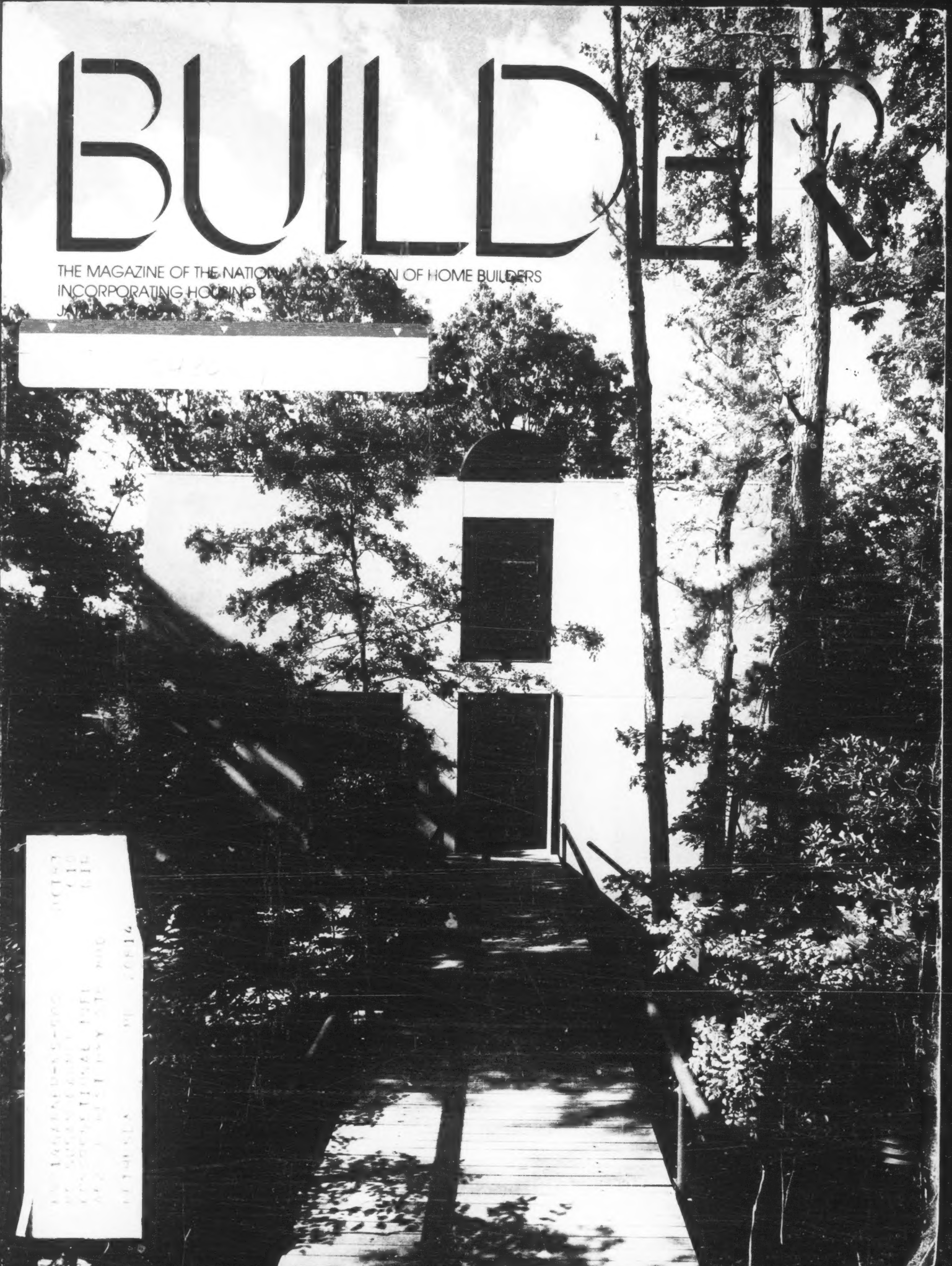
	Fall 1981	Fall 1982	Change
United States	**$ 79,700**	**$ 82,400**	**3.4%**
San Francisco	142,400	147,100	3.3
Los Angeles	132,900	137,100	3.2
Wash., D.C.	98,300	104,200	6.0
New York	95,900	100,900	5.2
Houston	91,200	94,700	3.8
Minneapolis	74,300	80,600	8.5
Chicago	76,200	77,300	1.4
Milwaukee	73,300	76,500	4.4
Boston	74,300	75,300	1.3
Atlanta	72,200	74,700	3.5
Baltimore	70,400	73,000	3.7
St. Louis	66,800	70,100	4.9
Philadelphia	65,400	65,100	-0.5
Pittsburgh	60,400	60,400	0
Detroit	55,800	54,600	-2.2

Source: National Association of Realtors

PRICES

NEW HOME PRICES RISE MORE SLOWLY

The cost of owning a new home has moderated, according to the U.S. Census Bureau. Increases in new home prices trailed the rise in the Consumer Price Index in both 1980 and 1981. From the second quarter of 1981 to the second quarter of 1982, new single-family home prices rose only 3.4 percent, the smallest such increase in 11 years. —CA



BUILDER

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INCORPORATING HOUSING MAGAZINE
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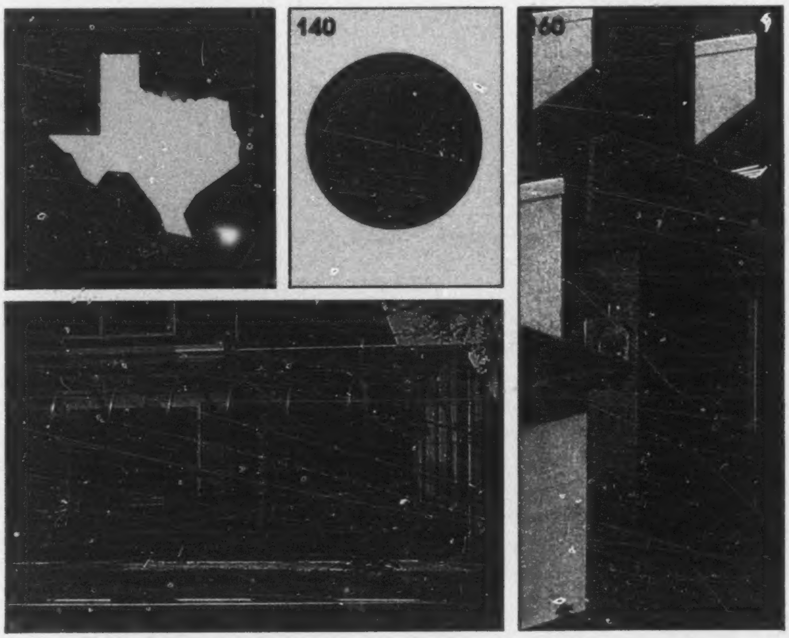

106 TEXAS
While builders almost everywhere else have been down in the dumps, builders in Texas have been riding high. In fact, last year Texas had a record number of housing starts. A report on why the market is strong and what's selling in every price range.
(Cover: Allen Residence, Longview, Tex. Photo: Hursley/Lark/Hursley 1982)

140 HOME BUYER PREFERENCE SURVEY 1983
One of Housing magazine's most popular annual features makes its first appearance in BUILDER. This year's survey focuses on entry-level buyers, and the survey results show buyers are serious, but wary.

154 FAVORITE 50
All new products are not created equal. Some, such as the 50 selected for this story, generate a lot more interest—and inquiries—than others.

160 GROUND BREAKERS
Most student housing is barracks-like. Not Croix, a 96-unit condominium project in Austin, Tex. It's luxurious, expensive and has been a big hit with students—and their parents—at the University of Texas.

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HOME BUYER
PREFER
SURVEY
1983

BARBARA BEHRENS GERS, former senior editor of Housing Magazine, which has been merged with BUILDER

What's the line on today's home shoppers? They are serious, but wary, about buying. What's likely to encourage them to buy? Shoppers in the moderate-priced home market welcome no-cost upgrades. Move-up shoppers want assurances that their existing home will be sold.

That's the kind of information offered in the next 10 pages — the results of the 1983 national home shoppers survey, fifth in a series of annual surveys formerly conducted by *Housing* magazine.

More than 3,000 shoppers were surveyed as they toured model complexes in nine representative areas: Albuquerque, Dallas, Denver, Kansas City, St. Louis, San Diego, Southern California (Los Angeles-Orange County), Southern Florida (including Miami) and Washington, D.C.

This year's shoppers were separated into two market segments: shoppers looking for moderate-priced single-family or multifamily homes (median price $81,830) and those who can afford to spend more (median home price $119,270). That's a departure from earlier surveys in which detached and attached-house shoppers were surveyed separately. But today's market — with renewed focus on the entry-level buyer — called for a different approach.

The shoppers were asked a wide variety of questions — covering everything from interest rates to microwave ovens. Their answers should give you a head start in setting your sales strategy for 1983.

FINANCING IS IMPORTANT— BUT THERE'S MORE TO THE STORY

Interest rates and monthly payments are the most important factors in the buying decision. But not by a large margin. Other considerations such as location and house size also carry great weight.

Shoppers were asked to rate the incentives that would "substantially influence" their decision to buy, and low-end shoppers were more enthusiastic about getting optional items at no extra cost than by an offer of, say, a 30-year, fixed-rate loan. For high-end shoppers—81 percent homeowners—the clincher could be guaranteed sale of their existing homes.

None of this downgrades the importance of numbers when it comes to qualifying a buyer or closing a sale, however. Here are some of interest:

The monthly outlay.

High-end shoppers are willing to pay $919 a month for a house (including property taxes) and low-end shoppers will pay $690.

How much upfront?

When it comes to a down payment, low-end shoppers have similar-size pocketbooks no matter where they live. They will pay about $11,000 (the range is from $10,000 in four cities to $17,500 in St. Louis). And the majority—55 percent—will pull at least a portion of the money from savings. Nearly half also expect to contribute some equity from a currently owned house or condo. (This equity may not cover the entire down payment: 36 percent of the low-end shoppers who already own are paying 11 percent or more on their current mortgages, indicating they haven't owned for long.) Family members will help 11 percent of these shoppers to make the down payment.

There's more variation when it comes to high-end prospects. The average down payment they would pay

NCE

is $26,670, but the range is from $19,290 in Washington, D.C., to $47,000 in Dallas. A clue to the discrepancy: Dallas shoppers estimate equity in an existing home at a whopping $66,250; Washingtonians admit to a more modest equity of $35,160. With these figures in mind, it's no surprise that more than two-thirds of the high-end shoppers are relying on equity from a current home to help make the down payment on a new home. However, savings withdrawals will also be in order for a good number of them—39 percent.

The mortgage terms.

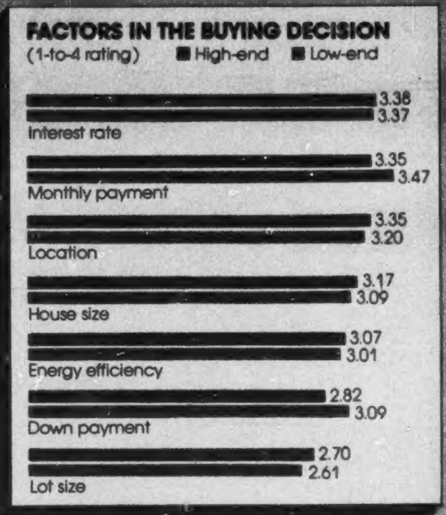
Shoppers set the maximum interest rate they'll pay at about the same level as last year, when 13.1 percent was the highest rate single-family shoppers said they'd accept. This year's cutoff point: 13.3 percent for high-end shoppers, 13.4 percent for low-end. What's more, the majority would not accept a mortgage with any variable rates or terms.

FLOOR PLAN: WHAT SHOPPERS WANT DEPENDS ON WHERE THEY LIVE

High-end shoppers in Dallas prefer a 2,500-square-foot, single-story house. Their counterparts in Denver, however, expect nearly 600 square feet less—and nearly half of them would rather have a two-story home. This is just one of many contrasts.

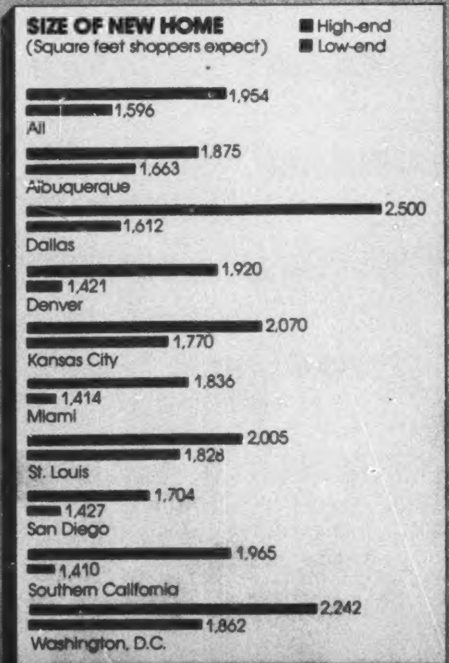
The more affluent St. Louis shoppers, for example, want a new home that's 290 square feet larger than their current one. But most other high-end shoppers don't plan on having quite this much more space. San Diego prospects are more typical: They expect only 132 more square feet.

When it comes to low-end shoppers, city-to-city differences are even more striking. St. Louis shoppers follow suit with their better-off neighbors, wanting a bigger increase in square footage than do low-end shoppers in any other market—405 square feet over



INCENTIVES TO BUY

Incentive	% of shoppers influenced by this incentive
Guaranteed sale of existing home	44% (high-end) 30% (low-end)
Optional items included at no extra cost	42% (high-end) 45% (low-end)
30-year fixed-rate loan at the prevailing rate	37% (high-end) 36% (low-end)
30-year loan with interest rate bought down to 13¾% for 5 years	24% (high-end) 24% (low-end)
Down payment subsidized by developer	17% (high-end) 24% (low-end)
40-year loan	18% (high-end) 16% (low-end)
Rent with option to buy provision	15% (high-end) 26% (low-end)

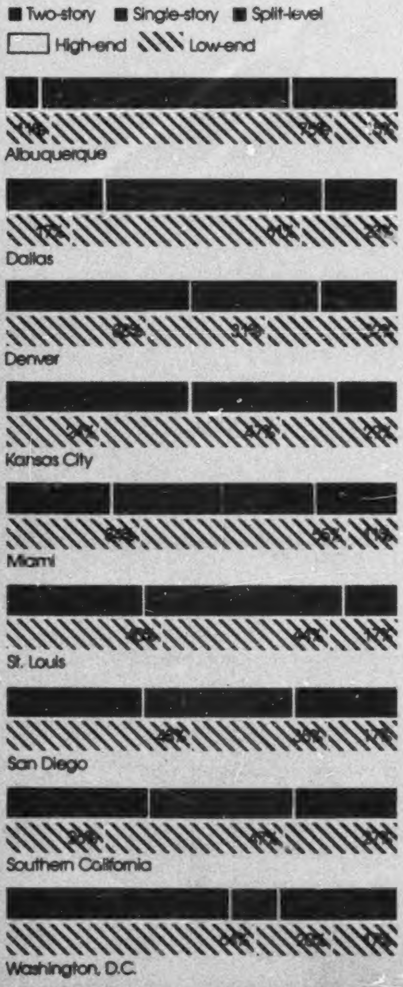


PREFERRED BEDROOM ARRANGEMENT

(Percentage of shoppers who want this arrangement)

Master bedroom, two bedrooms separate	47% (high end) 37% (low-end)
Two master bedrooms separate	13% (high-end) 16% (low-end)
Two master bedrooms together	6% (high-end) 8% (low-end)
Three bedrooms together	19% (high-end) 22% (low-end)
Three bedrooms, one separate	15% (high-end) 17% (low-end)

PREFERRED STYLE OF HOME



what they presently have. But Dallas low-end shoppers actually expect about 25 square feet less space once they buy. (Dallas has a slightly higher-than-average number of first-time buyers at the low end. It may be that these shoppers don't expect to be able to afford a dwelling larger than the space they're now renting.)

Low-end shoppers generally are looking for a house with about 1,600 square feet. The high-end group expects about 1,900 square feet.

The family plan.

It's no surprise that, as a rule, families with a head of household over 35 demand the most room, while singles want the least. In the high-end sample, established families—with an average of four people—want a median of 2,139 square feet, while singles ask for 1,777 square feet. In the low-end category, older families want 1,809 square feet; singles, 1,354 square feet.

A generation gap.

Age influences whether shoppers seek a one-story, two-story or split-level home. Predictably, climbing stairs is least acceptable to older couples: 62 percent of such shoppers in the high-end sample prefer a single-story as do 70 percent in the low-end group. Other preferences aren't as clear-cut, though younger, childless buyers seem more attracted to split-levels than others. Twenty-nine percent of the singles in the high-end sample prefer a split-level, as do 24 percent of the singles at the low end and 28 percent of the young couples in that category.

Bedroom arrangements.

Household makeup is a determining factor when it comes to desired bedroom layout. A master bedroom separated from the others is the first choice in every shopper category—even among tandem shoppers. However, families—especially older ones—are significantly more interested in such an arrangement. Fifty-nine percent of the established families at the high end of the market say a separate master suite suits their needs versus 32 percent of singles and 38 percent of unrelated people shopping together.

Least popular overall is the plan that places two master bedrooms together. The co-shoppers who prefer two master suites also prefer more privacy.

For obvious reasons, singles and co-shoppers show more interest than others do in a double master suite setup: At the high end, 26 percent and 28 percent, respectively, would go for such an arrangement. And young families are somewhat more interested in grouped bedrooms than are other shoppers: 23 percent like them, no doubt because parents want to be close to young childrens' bedrooms.

THE "AFFORDABLE" HOUSE: COST-CONSCIOUS SHOPPERS WILL COMPROMISE—SOMETIMES

Low-end shoppers still prefer a detached house—even if they have to endure a one-hour commute to afford one. (The average commute buyers will accept is 25 minutes.) A quarter would sacrifice a bedroom to shave house price by $5,000. And they'd rather finish areas of the house themselves than buy a smaller home they'd have to expand later.

These are some of the answers to a series of questions asked only of low-end shoppers in an attempt to pin down where they draw the line in cutting costs. About half the shoppers think they will have to choose one of the money-saving options. But their choices differ with location and type of household.

Alternatives to single-family.

Apartment conversions were unpopular in most cities, but 59 percent of the shoppers in South Florida—young couples and singles in particular—would consider one.

Southern Californians were about the only ones to show much interest in a mobile home: 23 percent said they'd consider buying one versus only 6 percent in St. Louis and Kansas City.

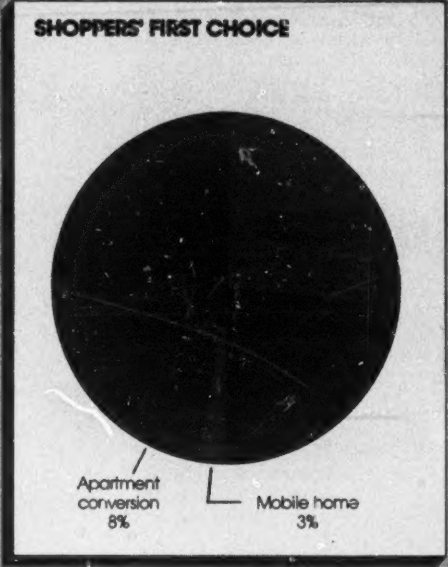
Nor are San Diego and South Florida shoppers as insistent on single-family detached as the others. Nearly 75 percent of the California shoppers and 70 percent of the Floridians would consider a townhouse, while far fewer—50 percent and 44 percent, respectively—would consider driving an hour to work for the sake of owning a standard single-family home.

A for-sale apartment just down the road from the office appeals to about half the unrelated co-shoppers and singles. But don't count them out when it comes to the detached-house market: About the same proportion would consider this sort of dwelling.

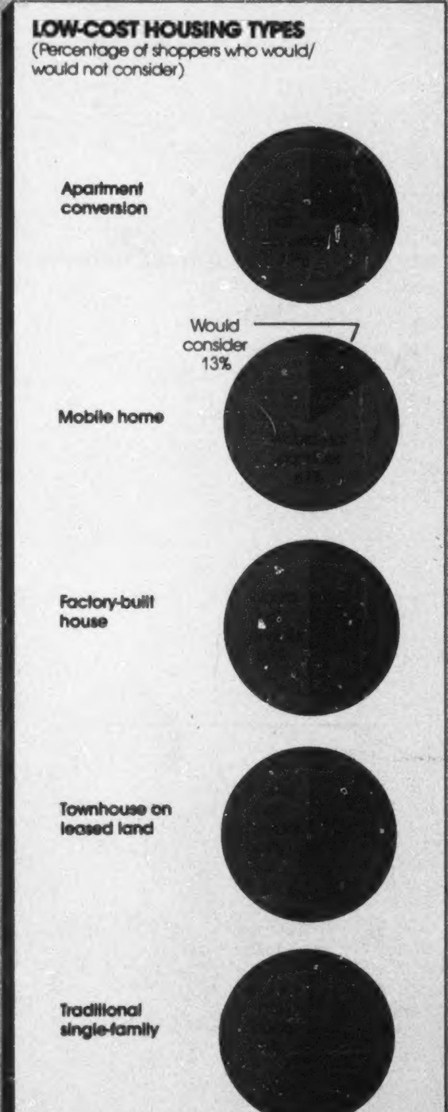
Single parents are least likely to consider living an hour from where they work: Only 42 percent said they'd consider doing so to live in a detached house, while more than half of most other groups surveyed said they would. It appears that single parents are concerned about being too far from schools or babysitters in case of emergency.

Cities and space.

When it comes to shaving square footage to cut house cost, Denver shoppers are most willing to eliminate a bedroom: 41 percent said they'd do so to save $5,000. Shoppers in Albuquerque, on the other hand, would

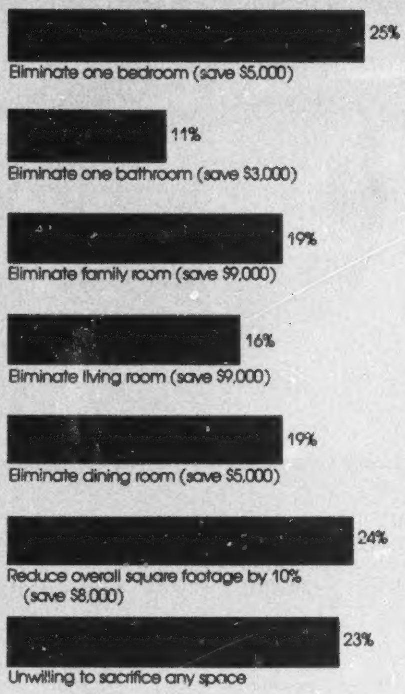


SHOPPERS' FIRST CHOICE



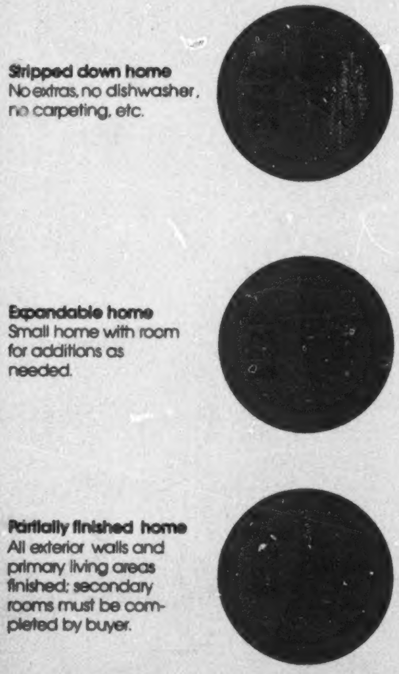
LOW-COST HOUSING TYPES
(Percentage of shoppers who would/would not consider)

MONEY-SAVING FLOOR PLANS*
(Percentage of shoppers who would consider this option)



*Example home would contain living room, kitchen, dining room, family room, three bedrooms and two baths.

TRIMMED-DOWN HOMES
(Less expensive homes shoppers would/would not buy)



rather omit a living room: 40 percent of them would give up this space, but only 18 percent would sacrifice a bedroom. And in San Diego, about a third of the shoppers would rather not sacrifice at all.

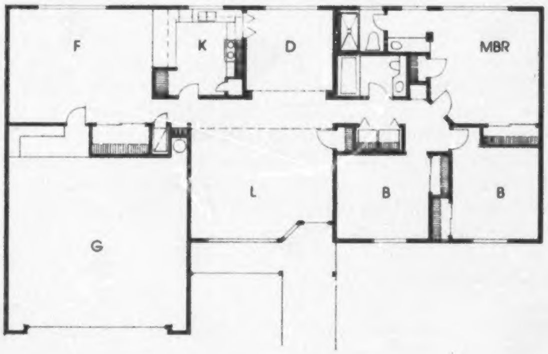
As might be expected, singles are more likely than others to accept smaller units to save $8,000: 29 percent would consider this cost-cutter. More than a third of the older couples find it untroublesome to eliminate a bedroom. Least likely to cut back on space: The established family. A third wouldn't do it.

In every market except South Florida, shoppers prefer to finish parts of a house themselves rather than accept a stripped-down model or expandable home. In South Florida, the expandable house was most popular: 48 percent of the shoppers would buy one, while only 37 percent want to finish a house themselves. Young couples are most willing to take on a partially finished house: 62 percent said they'd do it.

A close match.

Half the shoppers will consider a factory-built house in a subdivision to shave housing costs. Survey director George Fulton took a closer look to find out what sort of manufactured house shoppers prefer. He discovered that this model, sold by CC Housing Corporation in Albuquerque, closely matches shopper preferences.

Shoppers nationally want a one-story, 1,443-square-foot house at a cost of $71,100 including lot. Albuquerque shoppers want a 1,510-square-foot unit that costs $60,000 including lot. The CC Housing model is 1,510 square feet. House plus lot total $56,266.



FUEL-SAVERS: SHOPPERS STILL WANT THEM—BUT NOT AS MUCH

For one thing, there's the case of solar water heating. Last year, this energy-saver looked like a real comer, with 42 percent of the detached-house shoppers willing to go solar, even at the cost of $2,800. This year, only 23 percent of the high-end shoppers and 16 percent at the low-end would pay for solar collectors to heat water. Granted, the cost went up to $4,000 but that wasn't a roadblock before: Last year's strong showing was in spite of a $1,000 cost hike over the previous year.

What's the problem? It isn't aesthetics, because half the high-end shoppers would consider placing collectors on their front roofs (low-end shoppers weren't asked). It may be that shoppers are looking harder at the economics of solar in general. For, in a related question, high-end shoppers say they'd have to achieve a $48.52 savings on their monthly utility bills before they'd consider installing collectors.

Insulation's cooler.

Even that old favorite—upgraded insulation—doesn't garner quite as many votes as before. It's still the most-wanted option (only a fireplace comes close in popularity) and most of this year's shoppers are willing to pay for it, but an even larger number—87 percent—of detached-house shoppers said they'd pay last time out.

North vs. South.

When it comes to regional preferences this year's shoppers do match up with those surveyed before. Understandably, insulation has always been more prized in cold-weather cities such as Kansas City and Denver. This year, for instance, 89 percent of the high-end shoppers in Kansas City expressed a willingness to pay for extra insulation, compared with 71 percent in South Florida.

San Diego prospects are more hooked on solar than others are: 42 percent of the high-end shoppers there said they'd spend for solar water heating. St. Louis shoppers are most reluctant: Only 12 percent at the high end and 7 percent at the low end would pay for solar water heating.

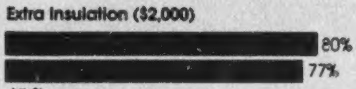
Heat pumps continue to be favored in Washington, D.C., if not elsewhere: 66 percent of the high-end shoppers in the nation's capital would pay for one. Least interested in heat pumps: Low-end shoppers in Denver. Barely 10 percent think one would be worth the investment.

FUEL-SAVING EXTRAS

(Percentage of shoppers would pay extra for them)

■ High-end ■ Low-end

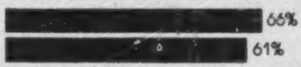
Extra insulation ($2,000)



All Shoppers

Cities with most interest:	
Kansas City (high-end)	89%
Kansas City (low-end)	85%
Cities with least interest:	
South Florida (high-end)	71%
South Florida (low-end)	65%

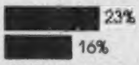
Double-pane windows ($1,500)



All Shoppers

Cities with most interest:	
Albuquerque (high-end)	87%
Denver (low-end)	80%
Cities with least interest:	
San Diego (high-end)	43%
Southern California (low-end)	37%

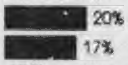
Solar water heater ($4,000)



All Shoppers

Cities with most interest:	
San Diego (high-end)	42%
San Diego (low-end)	39%
Cities with least interest:	
St. Louis (high-end)	12%
St. Louis (low-end)	7%

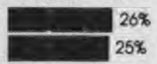
Solar water and space heating ($9,500)



All Shoppers

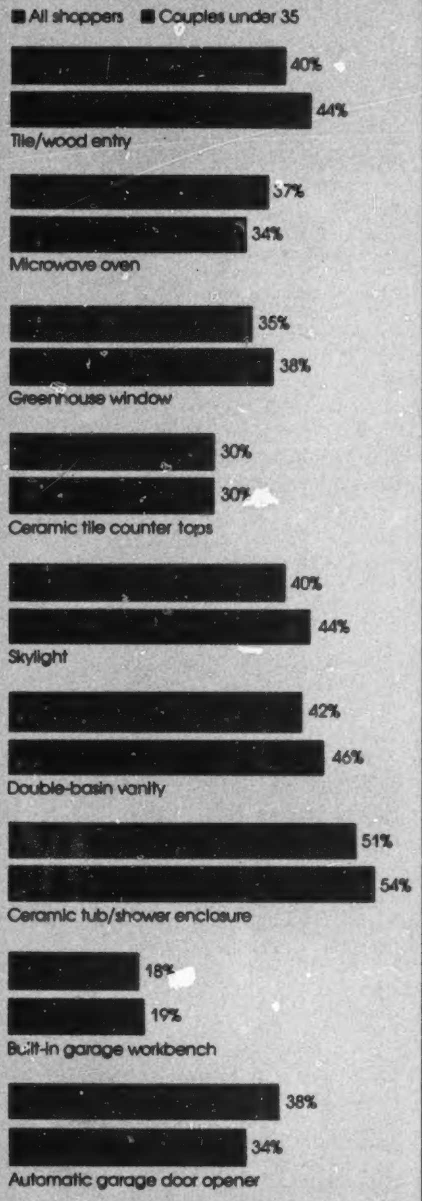
Cities with most interest:	
Southern California (high-end)	28%
San Diego (low-end)	25%
Cities with least interest:	
Albuquerque (high-end)	11%
Dallas (low-end)	11%

Heat pump ($2,500)



All Shoppers

Cities with most interest:	
Washington (high-end)	66%
Washington (low-end)	48%
Cities with least interest:	
South Florida (high-end)	14%
Denver (low-end)	10%


EXTRAS FOR LOW-END SHOPPERS
(Percentage of shoppers who want them)

HIGH, SLOPED CEILINGS FOR LOW-END SHOPPERS

Shoppers	% who want this feature
All shoppers	54%
Albuquerque	47%
Dallas	59%
Denver	63%
Kansas City	46%
St. Louis	50%
San Diego	56%
Southern California	67%
South Florida	60%
Washington, D.C.	28%

Fuel-saving families.

Household type also plays a role in whether shoppers will spend for energy-savers. In St. Louis, for example, 87 percent of the older families looking at a low-end home would pay for extra insulation versus 78 percent of the younger families. The same pattern shows up among those shopping for more expensive homes in St. Louis: 91 percent of the older families would invest in more insulation, while 83 percent of the younger families would do so.

UPGRADES: AT THE LOW END, EXTRAS MAKE A BIG DIFFERENCE

Even at a low price, shoppers want a home that's more than a basic box. High on their list of features are high, sloped ceilings—even if such ceilings might boost their utility bills. (Washington is the only place where shoppers don't want them.)

Nearly half the low-end shoppers said they'd be "substantially influenced" to buy if a builder provided optional items at no extra cost. The proportion goes as high as 58 percent in Denver.

In the bathroom.

A ceramic tile tub and shower enclosure attracts half the shoppers. The poorest showing for this extra was in Albuquerque—and that was a still-respectable 33 percent. (Note: No cost figure was given for the ceramic tile enclosure, or for any of the other features offered to low-end shoppers. These questions appealed to shoppers' whimsy rather than their pocketbooks.)

The next most popular extra also is in the bath: A double-basin vanity. Most interest comes from Dallas, where half the shoppers said they'd like one. Not surprisingly, household type makes a difference in how shoppers feel about double basins. Only 37 percent of singles want this upgrade.

Around the house.

Tile or wood in the entry—the choice of 40 percent of the shoppers—appeals most to younger couples and unrelated co-shoppers. (It is least popular with Albuquerque shoppers.) Skylights also attract 40 percent of the shoppers.

About a third of the shoppers would go for a microwave oven, ceramic tile counter tops or a greenhouse window. Ceramic tile counter tops are much more popular in California, however, than elsewhere. Fifty-one percent in Southern California would like one, versus only 18 percent in St. Louis.

In the garage.

Many shoppers want an automatic garage door opener, especially older couples and single parents. Specifically, 40 percent overall would like the door opener and 47 percent in chilly Kansas City would. About half the older couples and single parents want one.

A built-in workbench in the garage doesn't score particularly high anywhere. Its best showing was in Albuquerque, where 23 percent of the shoppers think they can use one.

UPGRADES: AT THE HIGH END, SHOPPERS PICK AND CHOOSE

Some 77 percent are willing to pay $2,500 for a living room fireplace, but high-end shoppers will pay extra for few other extras. What's more, local tastes make shoppers' preferences somewhat unpredictable.

For example, the majority of high-end shoppers would pay $300 extra for a tile or wood floor in the entry—unless, that is, they live in Albuquerque. There, only a third would spend to upgrade the foyer.

Forty-two percent of Dallas shoppers would pay for a wet bar in the living room. In South Florida, only 18 percent think a wet bar is worth the expense.

Master suite suggestions.

Many master suite options continue to be popular—although less so than in previous surveys. Most wanted: a double-basin vanity, the choice of 47 percent overall. Yet 62 percent of the detached-house shoppers surveyed last year said they'd pay for this extra.

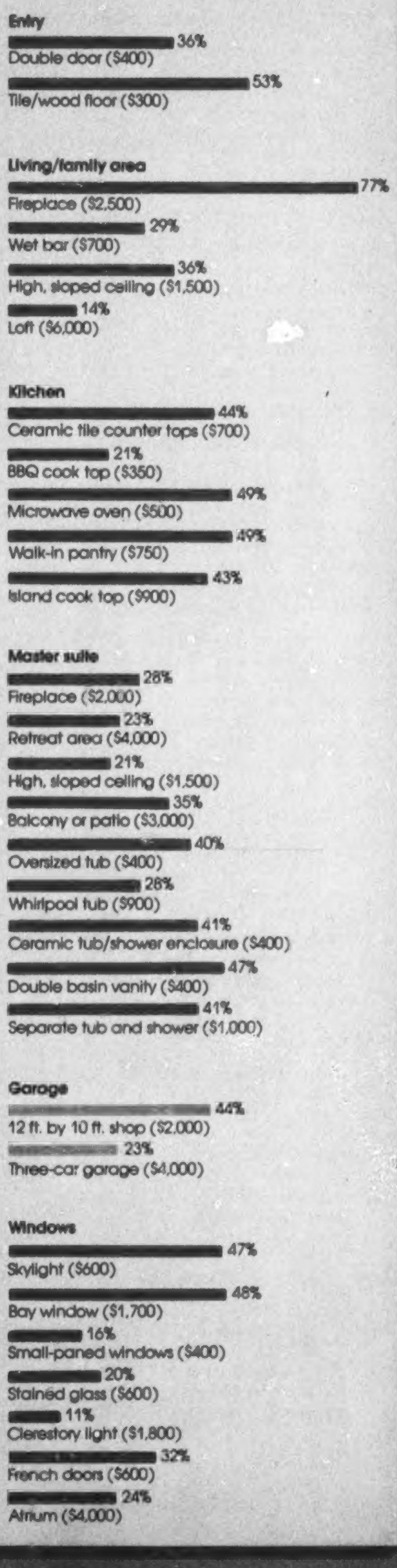
Also in the running: A ceramic tile tub and shower enclosure, wanted by 41 percent (versus 63 percent last year). Californians continue to show the most interest in ceramic tile. South Florida shoppers are least excited about it..

Least popular master suite option: A high, sloped ceiling.

In the kitchen.

Builders should pay attention to these local differences in kitchen preference: Ceramic tile counter tops score high in Southern California but do poorly in Albuquerque. More than half the shoppers in Southern California and Kansas City want a microwave oven. Island

EXTRAS FOR HIGH-END SHOPPERS
(Percentage of shoppers who would pay extra for them)



cook tops suit half the shoppers in St. Louis but only 26 percent of the shoppers in Albuquerque.

Also worth noting is an apparent drop-off in shoppers' willingness to pay for kitchen features. Fifty-one percent of the detached-house shoppers surveyed last year said they'd pay for ceramic tile counter tops versus 44 percent of high-end shoppers this year. The walk-in pantry was last year's hot item. This year only 43 percent of the high-end shoppers would spend for one. Last year a total of 53 percent of the shoppers would pay for a microwave oven; the percentage fell to 49 this year.

Window views.

Reviews are mixed when it comes to special windows. Skylights and bays score high, with nearly half the shoppers wanting them. Stained glass and French doors have fans in Southern California. Dallas shoppers show greatest interest in atriums. Mullioned windows and clerestories are least popular.

THE SHOPPERS: HERE'S THE RUNDOWN ON 3,325 PROSPECTIVE BUYERS

More than half the 3,325 new-home shoppers surveyed at model homes in nine metropolitan areas coast to coast represent one or two-person households—a far cry from the housing market of the late 50s when the predominance of growing families made the four-bedroom house a hot item. Now, only 43 percent of the shoppers describe themselves as families, and few of these are large enough to require more than three bedrooms.

Few shoppers are set to buy right away—only 22 percent at the low end and 16 percent at the high end—but they are serious about buying. More than half the shoppers expect to purchase a home within a year.

The anxiety factor.

Although falling interest rates may speed up the buying timetable for some, it's likely that uncertainty about the economy, job security, etc., plays a big role in shoppers' lack of urgency.

Builders in South Florida may have the easiest time making sales. In this market, some 47 percent of the less affluent shoppers want to buy now—perhaps explained by a higher-than-average proportion of singles (20 percent) and unrelated people shopping together (11 percent). These two groups are generally more impatient than others.

THE LOW-END SHOPPERS

(Shoppers who would pay up to $81,830 for a new house)

COUPLES—HEAD OF HOUSEHOLD 35 OR UNDER	**26%**
Median age of household head:	27.92
Median household income:	$33,920
(90% two-income households)	
Own house or condo now:	37%
Types of home would consider:	
Single-family detached	89%
Townhouse or condo	39%
COUPLES—HEAD OF HOUSEHOLD OVER 35	**15%**
Median age of household head:	50.40
Median household income:	$37,930
(58% two-income households)	
Own house or condo now:	64%
Types of home would consider:	
Single-family detached	73%
Townhouse or condo	46%
FAMILIES—HEAD OF HOUSEHOLD 35 OR UNDER	**20%**
Median age of household head:	29.36
Median household income:	$32,940
(61% two-income households)	
Own house or condo now:	58%
Types of home would consider:	
Single-family detached	97%
Townhouse or condo	21%
FAMILIES—HEAD OF HOUSEHOLD OVER 35	**17%**
Median age of household head:	41.72
Median household income:	$37,800
(62% two-income households)	
Own house or condo now:	75%
Types of home would consider:	
Single-family detached	88%
Townhouse or condo	28%
SINGLES	**3%**
Median age of household head:	30.99
Median household income:	$26,970
Sex:	
Male	57%
Female	43%
Own house or condo now:	35%
Types of home would consider:	
Single-family detached	69%
Townhouse or condo	72%
SINGLE PARENTS	**3%**
Median age of household head:	38.64
Median household income:	$27,860
Sex:	
Male	27%
Female	73%
Own house or condo now:	48%
Types of home would consider:	
Single-family detached	69%
Townhouse or condo	60%
UNRELATED PERSONS BUYING TOGETHER	**6%**
Median age of household head:	29.57
Median household income:	$35,140
Own house or condo now:	36%
Types of home would consider:	
Single-family detached	69%
Townhouse or condo	68%

Conversely, families—especially established ones—are most willing to wait. So in Kansas City where families make up 57 percent of the high-end shoppers, only 6 percent are ready to buy now.

The geographical picture.

Though South Florida leads the league in singles, Southern California isn't far behind. Washington shows the largest proportion of people teaming up to shop for a moderate-priced home—12 percent—while no high-end shoppers surveyed in Albuquerque were "mingles."

Budget-conscious shoppers in Washington are the youngest (perhaps the reason so many need a co-buyer): Their median age is only 31.15 versus an overall median of 32.61 for low-end shoppers. The oldest prospects are high-end shoppers in South Florida, whose median age is 38.4.

HOW WE COLLECTED THE DATA

Shoppers were questioned as they toured model complexes. Surveyors were stationed at projects representing a cross-section in terms of price, location and housing style.

George Fulton, Fulton Research & Consulting, Fullerton, Calif., conducted the survey; Fulton has directed the annual survey since 1974.

Here's who did the field work in each area:

- Albuquerque: CC Housing Corporation and Hooten/Stahl, Inc., Realtors
- Dallas: Moore Diversified Services, Inc., Fort Worth
- Denver: The Denver Consulting Group, Aurora, Colo.
- Kansas City, Kans., and Kansas City, Mo.: Home Builders Association of Greater Kansas City
- Miami: Dudley Omura, Inc., North Palm Beach
- St. Louis: Ira E. Berry, Inc., Clayton, Mo.
- San Diego and Southern California: Walker & Lee, Inc., Santa Ana, Calif.
- Washington, D.C.: Insite, Inc., Potomac, Md.

FOR MORE INFORMATION

Copies of individual market area reports—broken down by household type, income, etc.—are available for $95 each. Copies of composite national results are available for $250. Orders should be addressed to Fulton Research, 2701 E. Chapman, #203, Fullerton, Calif. 92631 (714-870-1433). Checks payable to Fulton Research.

THE HIGH-END SHOPPERS

(Shoppers who would pay up to $119,270 for a new house)

COUPLES—HEAD OF HOUSEHOLD 35 OR UNDER	**19%**
Median age of household head:	28.85
Median household income:	$43,230
(91% two-income households)	
Own house or condo now:	69%
Types of home would consider:	
Single-family detached	93%
Townhouse or condo	33%
COUPLES—HEAD OF HOUSEHOLD OVER 35	**19%**
Median age of household head:	50.09
Median household income:	$46,080
(57% two-income households)	
Own house or condo now:	88%
Types of home would consider:	
Single-family detached	78%
Townhouse or condo	43%
FAMILIES—HEAD OF HOUSEHOLD 35 OR UNDER	**21%**
Median age of household head:	29.76
Median household income:	$39,310
(57% two-income households)	
Own house or condo now:	87%
Types of home would consider:	
Single-family detached	95%
Townhouse or condo	17%
FAMILIES—HEAD OF HOUSEHOLD OVER 35	**27%**
Median age of household head:	41.98
Median annual income:	$47,590
(58% two-income households)	
Own house or condo now:	91%
Types of home would consider:	
Single-family detached	93%
Townhouse or condo	22%
SINGLES	**6%**
Median age of household head:	33.62
Median annual income:	$31,670
Sex:	
Male	55%
Female	45%
Own house or condo now:	52%
Types of home would consider:	
Single-family detached	69%
Townhouse or condo	66%
SINGLE PARENTS	**3%**
Median age of household head:	39.25
Median annual income:	$31,670
Sex:	
Male	16%
Female	84%
Own house or condo now:	76%
Types of home would consider:	
Single-family detached	76%
Townhouse or condo	58%
UNRELATED PERSONS BUYING TOGETHER	**5%**
Median age of household head:	30.88
Median annual income:	$45,230
Own house or condo now:	48%
Types of home would consider:	
Single-family detached	75%
Townhouse or condo	57%

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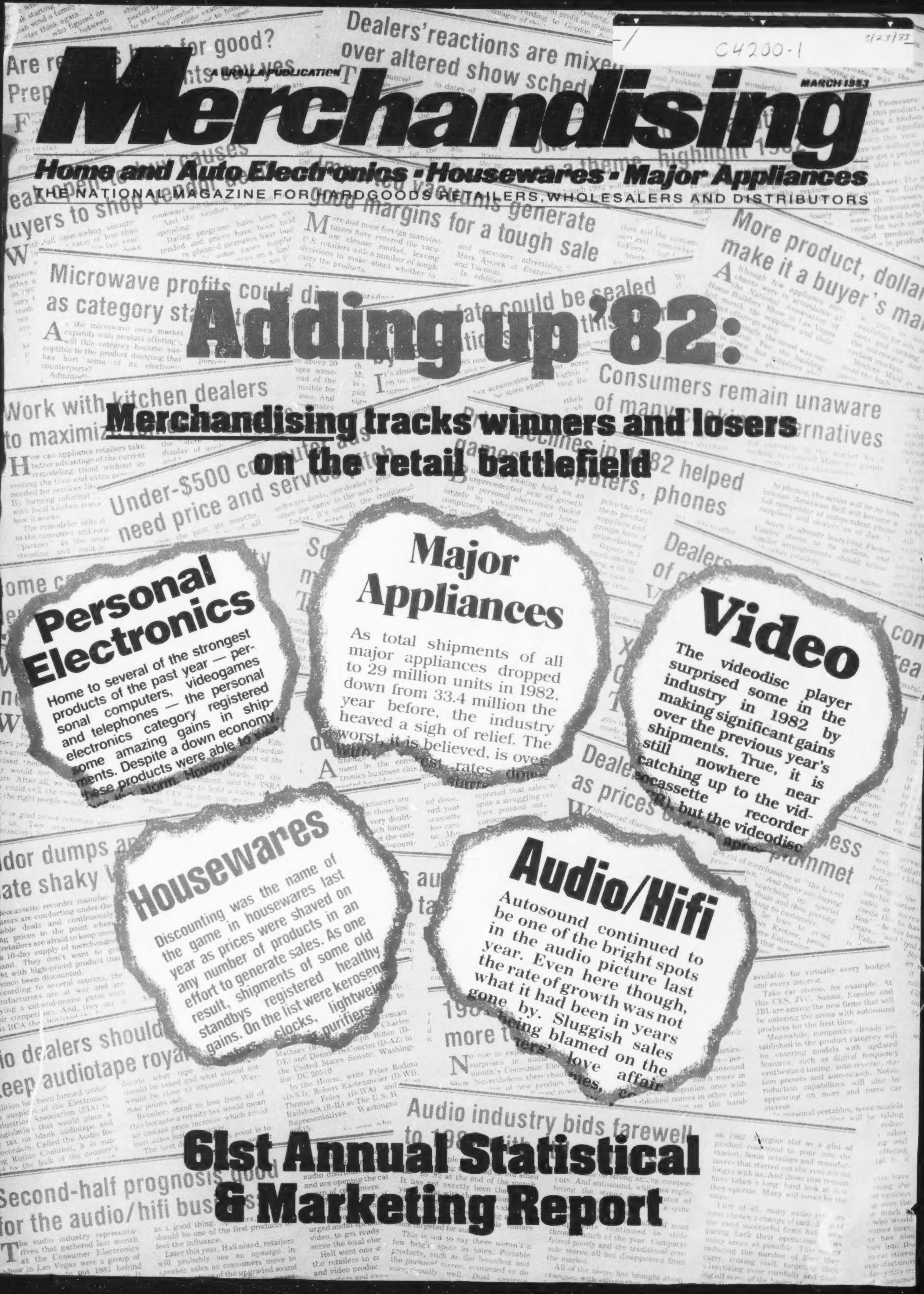


A BILLBOARD PUBLICATION
MARCH 1983

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

Adding up '82:

Merchandising tracks winners and losers on the retail battlefield

Personal Electronics

Home to several of the strongest products of the past year — personal computers, videogames and telephones — the personal electronics category registered some amazing gains in shipments. Despite a down economy, these products were able to [illegible] storm. However

Major Appliances

As total shipments of all major appliances dropped to 29 million units in 1982, down from 33.4 million the year before, the industry heaved a sigh of relief. The worst, it is believed, is over.

Video

The videodisc player surprised some in the industry in 1982 by making significant gains over the previous year's shipments. True, it is still nowhere near catching up to the videocassette recorder [illegible] but the videodisc

Housewares

Discounting was the name of the game in housewares last year as prices were shaved on any number of products in an effort to generate sales. As one result, shipments of some old standbys registered healthy gains. On the list were kerosene [illegible] clocks, lightweight [illegible] purifiers

Audio/Hifi

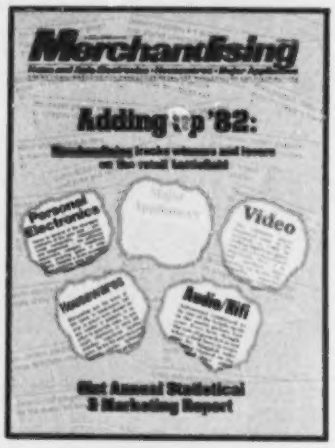
Autosound continued to be one of the bright spots in the audio picture last year. Even here though, the rate of growth was not what it had been in years gone by. Sluggish sales being blamed on the [illegible]ers' love affair [illegible]ies,

61st Annual Statistical & Marketing Report

Merchandising

FOR OVER 55,700 RETAILERS & WHOLESALERS

March 1983
Our 76th Year
Vol. 8, No. 3



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61st ANNUAL STATISTICAL AND MARKETING REPORT

As shipments slipped in most categories in 1982, entertainment and savings-oriented products performed well

It will probably not go down as anyone's favorite year.

In 1982, most of the products tracked in this *61st Annual Statistical and Marketing Report* saw shipments slip from the previous year's levels. And even those that did well had their problems as prices tumbled and margins all but disappeared.

The recession—which many had predicted and all had hoped would end sometime last year—lingered and deepened as 1982 progressed. As a result, the charts on the following pages paint a picture of the consumer electronics, major appliance and housewares industries that reveals a year of startling contrasts.

For the vast majority of products, shipments declined in 1982. But there were some notable exceptions in areas such as videogames, telephones, computers, videodisc players, kerosene heaters, some kitchen electrics and health care products.

What do the figures tell us? Looking at the charts directly, we see:

- significant declines in shipments for every single major appliance product;
- increases for products, such as kerosene heaters, that can offer the consumer immediate savings;
- decreases in shipments for virtually every high-ticket item that customers usually finance, and
- a booming market for entertainment-oriented products, such as videogames and VCR's, capable of seizing the public's imagination.

Reading between the lines, we find the causes for the above:

- a nation beset by the worst recession since the Great Depression;
- unemployment at the highest level in decades;
- housing starts at the lowest;
- the highest interest rates in recent history, and
- disposable income squeezed on all levels.

All of this made 1982 an extremely difficult year on the retail front, a year that picked up many of the good and bad trends begun in 1981 and elaborated on them.

There were winners

Escapism played a major role in consumer purchases last year: Witness the growth of the videogame category. Hardware shipments increased 63.6 percent, to 6.5 million units. Videogame software shipments increased even more dramatically, by 69.4 percent to 61 million units.

With their appetites whetted by the first taste of interactive video, more and more consumers turned to the personal computer last year to carry the experience one step further. They drove computer shipments up 160 percent, to close to two million units.

Looking to bring Hollywood home, the public turned to VCR's and videodisc players in increasing numbers. VCR shipments climbed 52.6 percent, to two million units. And some 38.4 million blank and 6.5 million prerecorded tapes were shipped to feed their voracious appetites.

Videodisc players experienced a 50 percent increase in shipments, reaching 240,000 units—not exactly an earth-shattering figure, but a sign, nonetheless, that the product is catching on.

Finding themselves at home probably more than they would like, many consumers turned to a selected array of housewares that they could use to entertain themselves and their friends. As a result, shipments of hot air cornpoppers, hotplates and buffet ranges and other kitchen electrics in this league registered moderate growth.

Second only to their desire for entertainment came the consumers' need to save money in 1982. This prompted, among other things, the rise of the kerosene heater. Although a cool winter and some bad PR slowed sales, the category still experienced a 51.2 percent jump in shipments, to almost four million units. Oil-filled heaters did even better growth-wise, showing a 100 percent increase, to 441,000 units shipped. Apparently, people were looking for money-saving alternatives to whole-house heating.

To cut down their phone bills, they turned to buying their own telephones. Some 4.5 million units were sold in 1982.

And looking to help reduce doctor bills, the health care category started to pick up, causing manufacturers and retailers alike to take a close look into this area.

There were losers

On the downside in 1982, we find every major appliance made. The dormant housing industry took its toll, sending shipments plummeting. Air treatment was down 22 percent, kitchen appliances 12.3 percent, home laundry 9.7 percent and compact appliances 13.6 percent.

Even microwave ovens, always good for a spot of growth in past years, slipped 8.2 percent last year, to 4.2 million units shipped.

Some old standbys slipped in consumer electronics. Drawn by video, videogames and computers, consumers turned their backs on most audio products, hand-held electronic games and a number of other products.

And in housewares, outside of those products mentioned before, shipments were generally down.

Tomorrow will be brighter

Overall, the prognosis for this year is somewhat improved over last year's. Most economic indicators point to a recovery, albeit weak, already in progress. Interest rates are down. Housing starts are up.

This bodes well, especially for the major appliance industry, where manufacturers are expecting to see a turnaround start in the second half. And other sluggish categories should follow suit, especially housewares, as move generates move and homeowners start sprucing up their new quarters.

Unfortunately, some claim that the resurgence in the housing industry may take from brown goods what it gives to white. As people start thinking about buying new refrigerators, ranges and other appliances, they may spend less on VCR's and videogames. The months ahead will prove if they are right or wrong.

No matter what happens, however, some products will prevail. The personal computer, for example, has obviously hit the fast track to stay for a while. We can expect to see shipments soar even higher this year as prices fall, more retailers begin selling them and consumers start computing in greater and greater numbers.

The videogame as we know it will probably be all but absorbed by the computer. This trend, already started, will gather momentum as the year continues.

In video, new developments in VCR's (high fidelity sound, new designs in portables, etc.) will continue to broaden the market. Growth will continue, although perhaps not at the same rate as it has in the past.

Videodisc players will continue to chip away at the market, slowly but surely expanding their installed base and strengthening the potential software sales.

The audio industry is looking for the debut of the digital audiodisc to put it back into the growth mode. Computer technology should shoot some pizazz into the category, and at least make people sit up and notice some of the audio products they've been neglecting in recent years.

And sales should continue to grow for telephones as the entire industry redefines itself in the wake of the deregulation of AT&T.

All in all, the potential is there. If 1983 does not go down as a record-breaking year, it should at least point the direction to better days to come.

—Lee Rath
editor

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Statistical matter for this survey
was compiled by
Selma Book, market research manager,
and Roberta Janasz, research associate.

Design: Thumbnail Group

5 YEAR TABLES
MAJOR APPLIANCES

61ST ANNUAL STATISTICAL AND MARKETING REPORT

PRODUCTS	1982		1981		1980		1979		1978	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
AIR TREATMENT										
Air Cleaners, Electronic, Total	**178**	**72,354**	**230**	**90,955**	**224**	**82,912**	**247**	**87,370**	**231**	**85,467**
Portable (room type)*	55	15,455	65	17,563	60	15,180	56	12,880	53	8,215
Central and duct-mounted	123	56,899	165	73,392	164	67,732	191	74,490	178	77,467
Air Conditioners, Room†	2,747	1,173,174	3,547	1,426,355	3,187	1,185,564	3,749	1,327,146	4,037	1,312,025
Dehumidifiers	492	87,911	601	102,272	718	110,572	684	97,812	441	61,740
Total Air Treatment	**3,417**	**1,333,439**	**4,378**	**1,619,582**	**4,129**	**1,379,048**	**4,680**	**1,512,328**	**4,709**	**1,459,232**
KITCHEN APPLIANCES										
Dishwashers, Total	**2,181**	**846,096**	**2,573**	**952,263**	**2,721**	**959,454**	**3,488**	**1,138,216**	**3,557**	**1,081,750**
Portable	235	98,754	313	124,086	393	146,982	504	174,384	586	190,450
Undercounter & Other	1,946	747,342	2,260	828,177	2,328	812,472	2,984	963,832	2,971	891,300
Disposers, Food Waste	2,693	293,052	3,067	320,930	2,885	276,960	3,316	295,124	3,313	284,918
Freezers, Total (10 cu. ft. & over)†	**1,290**	**621,105**	**1,589**	**723,635**	**1,715**	**731,402**	**1,859**	**699,270**	**1,522**	**499,300**
Chest	719	335,399	891	393,216	951	393,714	1,001	360,360	835	258,850
Upright	571	285,706	698	330,419	764	337,688	858	338,910	687	240,450
Microwave Ovens, Total†	**4,201**	**1,979,006**	**4,575**	**2,275,349**	**3,585**	**1,612,354**	**2,815**	**1,310,950**	**2,422**	**1,142,300**
Countertop/Over-the-range	3,794	1,578,076	4,104	1,789,344	3,320	1,347,920	2,535	1,039,350	2,190	919,800
Combination Units	245	247,930	303	316,355	265	264,434	280	271,600	232	222,500
Microwave/Convection	162	153,000	168	169,650	**	**	**	**	**	**
Ranges, Electric, Total†	**2,041**	**901,755**	**2,413**	**1,026,028**	**2,544**	**1,048,176**	**3,003**	**1,151,502**	**3,218**	**1,132,050**
Freestanding††	1,590	706,707	1,852	799,188	1,952	817,888	2,244	870,672	2,337	841,320
All Other††	451	195,048	561	226 840	592	230,288	759	280,830	881	290,730
Ranges, Gas, Total	**1,383**	**584,773**	**1,501**	**619,473**	**1,534**	**582,877**	**1,794**	**643,498**	**1,797**	**618,618**
Freestanding, Set-In††	1,220	493,844	1,306	513,258	1,323	477,603	1,538	524,458	1,546	511,395
High Oven	78	53,371	96	63,744	107	63,986	128	71,552	123	62,976
Built-In††	85	37,558	99	42,471	104	41,288	128	47,488	129	44,247
Ranges, Smooth-Top	103	63,654	134	80,400	155	93,000	220	139,040	249	137,697
Refrigerators (6.5 cu. ft. & over)†	4,365	2,937,470	4,997	3,227,262	5,173	3,093,454	5,701	3,186,859	5,890	3,227,720
Trash Compactors	177	52,111	209	59,590	234	61,776	293	73,543	300	72,300
—Duplication†††	−348	−311,584	−437	−396,755	−420	−357,434	−500	−410,640	−481	−360,197
Total Kitchen Appliances	**18,086**	**7,967,438**	**20,621**	**8,888,175**	**20,126**	**8,102,019**	**21,989**	**8,227,362**	**21,787**	**7,836,456**
HOME LAUNDRY										
Dryers, Total (25″ or more in width)	**2,612**	**897,860**	**2,892**	**921,090**	**2,933**	**858,442**	**3,333**	**905,517**	**3,392**	**863,611**
Electric	2,026	682,681	2,221	692,950	2,257	645,502	2,565	679,725	2,635	651,651
Gas	586	215,179	671	228,140	676	212,940	768	225,792	757	211,960
Washers, Total (25″ or more in width)	**3,791**	**1,640,534**	**4,195**	**1,676,135**	**4,254**	**1,641,930**	**4,666**	**1,706,364**	**4,728**	**1,711,290**
Automatic & Semi-Auto	3,714	1,620,492	4,081	1,648,724	4,122	1,611,702	4,480	1,666,560	4,528	1,670,690
Wringer & Spinner	77	20,042	114	27,411	132	30,228	186	39,804	200	40,600
Total Home Laundry	**6,403**	**2,538,394**	**7,087**	**2,597,225**	**7,187**	**2,500,372**	**7,999**	**2,611,881**	**8,120**	**2,574,901**
COMPACT APPLIANCES										
Refrigerators (Under 6.5 cu. ft.)	493	99,714	534	103,852	543	101,541	498	86,154	549	96,075
Freezers (Under 10 cu. ft.)	225	69,593	291	87,300	310	86,800	282	70,500	262	52,400
Washers (24″ or less in width)	252	74,315	284	82,110	266	73,948	299	75,647	310	70,990
Dryers (24″ or less in width)	166	56,379	206	66,950	207	66,033	218	63,220	229	64,349
Total Compact Appliances	**1,136**	**300,001**	**1,315**	**340,212**	**1,326**	**328,322**	**1,297**	**295,521**	**1,350**	**283,814**
GRAND TOTAL— MAJOR APPLIANCES	29,042	12,139,272	33,401	13,445,194	32,768	12,309,761	35,965	12,647,092	35,966	12,154,403

*Retailing for $500 or more

**Not broken out separately

†See Highlights charts for further breakdown

††Includes microwave oven combinations

†††Microwave oven combinations and Smooth-top ranges

MAJOR APPLIANCE HIGHLIGHTS

61ST ANNUAL STATISTICAL AND MARKETING REPORT

ROOM AIR CONDITIONER SHIPMENTS BY SIZE OF UNIT

Size in Btu's	1982 Units (000)	Percent of Total	1981 Units (000)	Percent of Total	Percent Change 1982/1981
Under 7,000	827	30.1%	1,028	29.0%	–19.6%
7,000-10,999	704	25.6	958	27.0	–26.5
11,000-19,999	982	35.8	1,277	36.0	–23.1
20,000 & Over	234	8.5	284	8.0	–17.6
Total	2,747	100.0%	3,547	100.0%	–22.6%

ROOM AIR CONDITIONER SHIPMENTS BY E.E.R. RATING

Type	1982 Units (000)	Percent of Total	1981 Units (000)	Percent of Total	Percent Change 1982/1981
High (7.5 & Over)	1,368	49.8%	1,639	46.2%	–16.5%
Low (Under 7.5)	1,379	50.2	1,908	53.8	–27.7
Total	2,747	100.0%	3,547	100.0%	–22.6%

MICROWAVE OVEN SHIPMENTS BY TYPE

Type	1982		1981	
	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Countertop	3,334	1,327,098	3,624	1,522,080
Over-the-range	460	250,978	480	267,264
Total	3,794	1,578,076	4,104	1,789,344

MICROWAVE OVEN/RANGE COMBINATION SHIPMENTS BY TYPE OF UNIT

Type	1982		1981	
	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Single Cavity	35	$ 32,348	54	$ 51,084
Double Oven, Gas	29	29,098	32	32,864
Double Oven, Electric	181	186,484	217	232,407
Total	245	$247,930	303	$316,355

MICROWAVE/CONVECTION OVEN SHIPMENTS BY TYPE OF UNIT

Type	1982		1981	
	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Countertop	117	$ 87,750	121	$ 96,800
Full range size	45	65,250	47	72,850
Total	162	$153,000	168	$169,650

ELECTRIC RANGE SHIPMENTS BY TYPE OF UNIT

Type	1982 Units (000)	Percent of Total	1981 Units (000)	Percent of Total	Percent Change 1982/1981
Freestanding	1,590	77.9%	1,852	76.8%	–14.1%
Slide-in	103	5.0	126	5.2	–18.3
Drop-in	85	4.2	109	4.5	–22.0
Cooktop	136	6.7	166	6.9	–18.0
Built-in Wall Oven	127	6.2	160	6.6	–20.6
Total	2,041	100.0%	2,413	100.0%	–15.4%

ELECTRIC RANGE SHIPMENTS BY CLEANING SYSTEM

Type	1982 Units (000)	Percent of Total	1981 Units (000)	Percent of Total	Percent Change 1982/1981
Self-Cleaning	828	40.6%	1,020	42.3%	–18.8%
Continuous-Cleaning	389	19.0	459	19.0	–15.3
All Other	824	40.4	934	38.7	–11.8
Total	2,041	100.0%	2,413	100.0%	–15.4%

GAS RANGE SHIPMENTS BY CLEANING SYSTEM

Type	1982 Units (000)	Percent of Total	1981 Units (000)	Percent of Total	Percent Change 1982/1981
Self-Cleaning	168	12.1%	187	12.4%	–10.2%
Continuous-Cleaning	431	31.2	483	32.2	–10.8
All Other	784	56.7	831	55.4	–5.7
Total	1,383	100.0%	1,501	100.0%	–7.9%

PERCENT OF GAS RANGES SHIPPED WITH PILOTLESS IGNITION

Type	1982	1981	Percent Point Change
Pilotless ignition	78.2%	75.0%	+3.2

PERCENT OF RANGES SHIPPED WHICH ACCEPT OPTIONS (i.e. grills, griddles, deep fat fryers, rotisseries)

Type	1982	1981	Percent Point Change
Electric ranges	10.6%	10.3%	+0.3
Gas ranges	4.0%	3.7	+0.3

REFRIGERATOR SHIPMENTS BY SIZE OF UNIT

Size in Cubic Feet	1982 Units (000)	Percent of Total	1981 Units (000)	Percent of Total	Percent Change 1982/1981
6.5 to 11	304	7.0%	290	5.8%	+ 4.8%
12 & 13	300	6.9	400	8.0	–25.0
14 & 15	1,042	23.9	1,160	23.2	–10.2
16 & 17	1,049	24.0	1,162	23.3	– 9.7
18 & 19	806	18.4	940	18.8	–14.3
20 & 21	475	10.9	555	11.1	–14.4
22 & Over	389	8.9	490	9.8	–20.6
Total	4,365	100.0%	4,997	100.0%	–12.6%

REFRIGERATOR SHIPMENTS BY FREEZING COMPARTMENT*

Type	1982 Units (000)	Percent of Total	1981 Units (000)	Percent of Total	Percent Change 1982/1981
Top-Mount	3,336	76.4%	3,732	74.7%	–10.6%
Bottom-Mount	84	1.9	105	2.1	–20.0
Side-By-Side	627	14.4	789	15.8	–20.5
Single Door	318	7.3	371	7.4	–14.3
Total	4,365	100.0%	4,997	100.0%	–12.6%

*For Refrigerators 6.5 cu. ft. and over

MAJOR APPLIANCE HIGHLIGHTS

61ST ANNUAL STATISTICAL AND MARKETING REPORT

Major appliance shipments slip across the board, but most manufacturers agree that the bottom has been hit

At last, the major appliance industry has bottomed out and there should be nowhere to go but up. Not one product category showed a gain in unit shipments for 1982, not even last year's star—microwave ovens.

It's not hard to figure out why. High interest rates continued to plague consumers and purchases of durable goods were postponed wherever possible. Too, housing starts did not show any real signs of recovery until the last quarter of the year and the accompanying rise in appliance sales generally takes place about nine months after construction begins.

Retailers continued to exercise caution last year about the number of sku's on their selling floor. They committed only to what they knew they could sell.

Weather hurts room air

The room air conditioner industry was dealt a double whammy in 1982—a downturned economy and a cool summer. Coming off of a strong 1981 season, 1982 shipments in room air units declined 22.6 percent to 2.7 million units from 3.5 million.

Cool temperatures around much of the country meant that consumers weren't buying; many figured they could handle a couple of weeks of heat and postponed the purchase. Retailers reported sales drops of as much as 70 percent. They didn't need to reorder to replenish their stocks.

Consequently, there exists higher than normal inventory of room air units in the field. And most of last year's models were carried over into the 1983 season.

Of the goods that were shipped, however, more of them sported high E.E.R.'s (energy efficiency ratios)—49.8 percent versus 46.2 percent for 1981. But this gain comes as no surprise. Manufacturers have been designating an increasing percentage of their lines each year as "high-E.E.R." And said one supplier, "It's a trend that will continue." In addition, some retailers have been stocking larger quantities of high-E.E.R. models because they are governed by state regulations in some areas of the country to sell only those units. Also boosting interest in this category in some states are the utility companies that are offering dollar rebates to consumers who own high-efficiency units.

Microwaves fail to register gains

After several years of phenomenal growth, the category of countertop and over-the-range microwaves showed a decline of 7.6 percent in shipments last year down from 4.1 million units to 3.8 million. Why? A prime factor was the economy.

Consumers don't need a microwave to cook with—not if they already have a range. If dollars are tight, a microwave is a luxury item, not a necessity.

Secondly, the growth of microwave ovens was bound to slow anyhow since the category has passed the 20 percent saturation level. The affluent, experimental consumer already has a microwave. The mass market consumer is more readily affected during hard economic times and is slower to purchase new products. And, there is still some fear of radiation in the Northeast—enough to discourage many microwave sales. Retailers are only now reporting that this is changing.

What bodes well for 1983 is that the last quarter of 1982 witnessed significant activity in microwave ovens at the retail level. Retailers and manufacturers sold out on many price points and models. Consequently, factories are running to refill the pipelines so that suppliers can meet current demands. For 1983, retailers are predicting gains in this product category.

The range, to some degree, is also a postponable major appliance purchase, said manufacturers. One reported that about 30 percent of the units in homes are getting old and may be ready to break. As long as one burner is working, however, today's pinched consumers can often manage to get by. Total electric range shipments dropped 15.4 percent in 1982 to two million units; gas range shipments declined 7.9 percent to 1.4 million units.

Of the ranges that were received by retailers, a growing percentage were popularly priced models, many devoid of features like cleaning systems. For example, the self-cleaning feature was offered on 40.6 percent of the electric ranges shipped in 1982, down from 42.3 percent in 1981. Electric ranges without any type of cleaning system represented a larger portion than in 1981—40.4 percent of the total in contrast to 38.7 percent the previous year.

REFRIGERATOR SHIPMENTS BY DEFROSTING SYSTEM*

Type	1962 Units (000)	Percent of Total	1981 Units (000)	Percent of Total	Percent Change 1982/1981
No-Frost	3,809	87.3%	4,351	87.1%	−12.5%
All Other	556	12.7	646	12.9	−13.9
Total	4,365	100.0%	4,997	100.0%	−12.6%

FREEZER SHIPMENTS BY SIZE OF UNIT

Size in Cubic Feet	1982 Units (000)	Percent of Total	1981 Units (000)	Percent of Total	Percent Change 1982/1981
10-14	236	18.3%	307	19.3%	−23.1%
15	340	26.4	350	22.0	− 2.9
16 & 17	221	17.1	334	21.0	−33.8
18 & 19	135	10.5	169	10.7	−20.1
20 & Over	358	27.7	429	27.0	−16.6
Total	1,290	100.0%	1,589	100.0%	−18.8%

FREEZER SHIPMENTS BY DEFROSTING SYSTEM

Type	1982 Units (000)	Percent of Total	1981 Units (000)	Percent of Total	Percent Change 1982/1981
No-Frost	113	8.8%	137	8.6%	−17.5%
All Other	1,177	91.2	1,452	91.4	−18.9
Total	1,290	100.0%	1,589	100.0%	−18.8%

*For Refrigerators 6.5 cu. ft. and over

This trend was also evident in the gas range market. Self-cleaning models accounted for 12.1 percent of the total units shipped, instead of 12.4 percent in 1981. The continuous-clean feature was found on 31.2 percent of the gas ranges shipped last year, down from 32.2 percent. Gas ranges without a cleaning system totalled 56.7 percent, up from 55.4 percent in 1981.

But even though consumers were willing to purchase ranges without cleaning systems, most evidently did want pilotless ignition on the gas ranges they purchased. This feature was offered on 78.2 percent of the units shipped, up 3.2 percentage points from 1981's figure of 75 percent.

Refrigerator shipments decline

Refrigerators is another category where manufacturers say consumers are holding off as long as possible before making a purchase. Shipments of refrigerators in sizes 6.5 cu. ft. and over dropped 12.6 percent last year to 4.4 million units. However, unlike a range, one can't make do with just partial service. When a refrigerator breaks, it must be replaced immediately. Still, there are reportedly about 25 million units in homes on the brink of failure. Certainly this bodes well for future shipments in this category.

While it's generally agreed in the marketplace that there exists a trend toward more compact living spaces, and, consequently, scaled-down appliances, manufacturers affirm that the evolution will be slow—that there are still plenty of homes around the country which can accommodate full-sized appliances.

Yet, it's interesting to note the shift in the sizes of refrigerators shipped during the past year. Seven percent of them ranged from 6.5 to 11 cu. ft. in size, up from 5.8 percent in 1981. Also gaining were 14- and 15-cu.-ft. units, up from 23.2 percent to 23.9 percent. And 16- and 17-cu.-ft. refrigerators represented 24 percent of the units shipped, up from 23.3 percent in 1981.

Showing a decline in shipments were 18- and 19-cu.-ft. units from 18.8 percent to 18.4 percent of the total; 20- and 21-cu.ft. models, from 11.1 percent to 10.9 percent, and 22-cu.-ft. and over units, from 9.8 percent to 8.9 percent of the refrigerators shipped.

The trend is also reflected in the growth of the top-mount part of the refrigerator market. These units accounted for 76.4 percent of the models shipped in 1982 compared with 74.7 percent in 1981. The larger side-by-side models registered 14.4 percent of the refrigerators shipped, down from 15.8 percent in 1981.

—Nancy Markov
managing editor/major appliances

5 YEAR TABLES
HOME AND AUTO ELECTRONICS

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PRODUCTS	1982		1981		1980		1979		1978	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
VIDEO										
TV, B&W, Total†	**5,750**	**625,784**	**5,542**	**615,659**	**6,149**	**684,891**	**6,281**	**681,867**	**6,064**	**701,134**
Portable & Table	5,738	622,745	5,529	612,300	6,132	680,763	6,258	675,864	6,030	693,450
Console & Combo	12	3,039	13	3,359	17	4,128	23	6,003	34	7,684
TV, Color, Total†	**11,377**	**5,640,732**	**11,262**	**5,664,969**	**10,855**	**5,283,773**	**9,793**	**4,617,829**	**10,236**	**4,992,654**
Portable & Table	8,928	3,883,501	8,788	3,880,869	8,418	3,560,814	7,530	3,094,830	7,618	3,207,178
Console & Combo	2,449	1,757,231	2,474	1,784,100	2,437	1,722,959	2,263	1,522,999	2,618	1,785,476
TV, Projection	117	277,242	121	271,878	77	209,902	63	182,700	54	124,200
Videocassette Recorders†	2,030	1,344,000	1,330	1,057,058	804	699,966	478	431,292	402	356,480
Video Cameras†	284	265,443	186	186,309	115	120,056	73	62,048	61	30,898
Prerecorded Videotape/Cassettes†	6,510	407,218	5,172	379,928	3,151	209,558	2,158	153,910	**	**
Videodisc Players†	240	93,000	160	80,200	**	**	**	**	**	**
AUDIO/HIFI										
Components, Total	**8,192**	**1,474,749**	**8,431**	**1,561,173**	**8,919**	**1,704,213**	**9,087**	**1,668,645**	**8,140**	**1,504,830**
Receivers	1,421	380,970	1,440	419,746	1,465	414,595	1,450	398,750	1,320	442,200
Amps and Pre-Amps	365	166,217	358	173,058	349	160,966	360	155,120	370	111,740
Tuners	201		193		184		194			
Turntables (Excluding OEM)	2,239	314,214	2,304	321,754	2,336	310,688	2,433	316,290	2,200	281,600
Speakers (Components Only)	2,970	418,206	3,197	453,814	3,735	623,578	3,850	600,600	3,500	476,000
Equalizers	160	19,840	155	19,375	134	16,348	125	14,375	100	11,000
Tape Decks, Total	**836**	**175,302**	**784**	**173,426**	**716**	**178,038**	**675**	**183,510**	**650**	**182,290**
Cassette	707	137,292	634	129,596	545	117,265	495	113,850	440	103,840
8-Track	49	6,570	60	8,460	68	10,200	72	10,800	95	15,200
Open Reel	80	31,440	90	35,370	103	50,573	108	58,860	115	63,250
Cartridges (Excluding OEM)	3,629	117,543	3,699	115,409	3,745	112,350	3,500	98,000	3,200	89,600
Headphones	3,584	158,198	3,108	156,768	2,886	150,072	2,775	135,975	2,600	96,200
Compact Systems, Total††	**2,966**	**583,753**	**3,578**	**692,764**	**3,945**	**883,705**	**4,341**	**939,028**	**4,474**	**962,979**
Cassette Bimode	83	14,890	77	15,015	80	14,880	73	14,162	53	9,275
8-Track Player Bimode	134	13,137	248	25,594	310	39,990	383	54,769	603	102,510
8-Track Player Trimode***	409	50,708	572	74,646	637	110,838	777	140,637	1,038	221,094
8-Track Recorder Bimode	158	16,276	274	29,099	321	56,817	417	79,230	600	120,000
Changer Bimode***	160	16,891	200	23,460	233	32,154	268	37,788	350	38,500
8-Track Recorder Trimode***	457	71,790	783	125,515	974	223,046	1,188	283,932	1,500	382,500
Cassette Trimode***	1,337	341,684	1,176	328,457	1,060	281,960	1,235	328,510	330	89,100
Cassette, Quadmode***	228	58,377	248	70,978	330	124,020	*	*	*	*
Portable Tape Units, Total	**28,050**	**1,474,088**	**28,093**	**1,587,512**	**23,366**	**1,447,166**	**20,298**	**1,164,745**	**16,177**	**890,671**
Cassette Recorders	15,817	642,328	16,025	692,280	13,720	740,880	12,250	600,250	11,600	568,400
8-Track Players/Recorders	704	31,772	867	41,182	955	50,102	1,157	74,225	1,598	112,591
Radio/Cassette Combinations	11,000	768,460	10,700	823,900	8,282	629,432	6,733	471,310	2,864	200,480
Microcassette Recorders	529	31,528	501	30,150	409	26,752	158	18,960	115	9,200
Radios, Total†	**26,518**	**819,094**	**27,881**	**863,475**	**27,012**	**867,693**	**28,550**	**918,750**	**32,478**	**1,056,190**
Table	768	31,296	986	41,215	1,053	46,332	1,250	56,250	1,505	67,725
Portable†††	17,161	419,072	17,493	424,555	16,613	382,099	17,100	393,300	20,266	506,650
Clock	8,589	368,726	9,402	397,705	9,346	439,262	10,200	469,200	10,707	481,815
AUTOSOUND										
Autosound, Total	**20,741**	**1,772,897**	**19,823**	**1,655,596**	**18,362**	**1,486,839**	**18,630**	**1,518,225**	**17,855**	**1,283,680**
UD 8-Track Player	506	22,497	708	34,982	871	47,034	1,300	78,000	1,600	78,400
UD 8-Track/Radio Combo	163	11,607	208	16,099	275	23,650	500	48,000	500	41,000
ID 8-Track/Radio Combo	1,343	110,905	1,722	152,914	1,950	214,500	2,500	342,500	2,600	296,400
UD Cassette Player	692	57,644	722	56,316	822	64,116	775	58,900	700	58,800
UD Cassette/Radio Combo	556	70,073	607	77,271	605	81,070	605	75,625	555	75,480
ID Cassette/Radio Combo	3,328	572,849	2,899	485,409	2,486	400,246	2,200	343,200	1,700	255,000
Radios Only (Retrofit)	1,057	112,687	1,082	120,492	1,188	137,808	1,250	135,000	1,000	83,000
Car Speakers (In Pairs)	12,479	759,722	11,303	662,921	10,165	518,415	9,500	437,000	9,200	395,600
Equalizers	617	54,913	572	49,192	**	**	**	**	**	**
Radios, Citizens Band, Total	**1,498**	**122,032**	**1,522**	**125,878**	**1,412**	**111,706**	**1,590**	**130,210**	**4,736**	**393,260**
Base Units	161	16,382	162	17,350	169	17,238	190	24,885	686	109,760
Mobile Units	1,337	105,650	1,360	108,528	1,243	94,468	1,400	105,325	4,050	283,500
BLANK TAPE										
Blank Audiotape/Cassettes, Total	**251,781**	**639,419**	**246,393**	**629,125**	**244,747**	**594,812**	**234,786**	**511,259**	**263,000**	**710,000**
Cassette†	236,344	562,499	228,147	542,990	218,689	487,676	203,986	399,509	220,000	564,000
Open Reel	7,567	64,092	8,018	70,077	8,864	74,812	9,200	72,558	11,000	69,100
8-Track	7,870	12,828	10,228	16,058	17,194	32,324	21,600	39,192	32,000	77,000
Blank Videotape/Cassettes, Total	**38,423**	**551,931**	**26,711**	**409,649**	**15,316**	**257,604**	**9,967**	**175,672**	**5,500**	**95,000**
Beta	12,207	158,691	9,361	128,058	6,028	90,420	4,567	73,072	3,000	45,000
VHS	26,216	393,240	17,350	281,591	9,288	167,184	5,400	102,600	2,500	50,000

*Not broken out separately

**Category not reported

***Includes Changer

†See Highlights charts for further breakdown

††All units include stereo radio

†††Excludes personal headphone type

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PRODUCTS	1982		1981		1980		1979		1978	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
PERSONAL ELECTRONICS										
Calculators, Total	**29,030**	**902,240**	**28,260**	**831,840**	**26,502**	**841,280**	**25,380**	**843,063**	**23,341**	**914,589**
Hand-Held, Total	**24,492**	**456,265**	**23,905**	**409,481**	**22,288**	**419,514**	**21,317**	**425,333**	**20,111**	**494,739**
Mini-Card	2,406	40,493	2,760	46,920	2,754	57,834	2,598	57,156	2,050	61,500
Printer	1,302	68,837	824	44,496	659	47,448	573	47,559	475	41,800
Programmable	123	16,359	106	14,840	88	13,640	82	13,530	75	13,875
Other, Total	**20,661**	**330,576**	**20,215**	**303,225**	**18,787**	**330,592**	**18,064**	**307,088**	**17,511**	**377,564**
Scientific	4,760	*	4,367	*	*	*	*	*	*	*
All other	15,901	*	15,848	*						
Desk-Top, Total	**4,538**	**445,975**	**4,355**	**422,359**	**4,214**	**421,766**	**4,063**	**417,730**	**3,230**	**419,850**
Display Only	875	52,894	915	55,815	927	54,693	946	56,760	930	60,450
Printer Only	880	73,982	1,123	95,455	1,095	95,265	1,106	99,540	1,400	197,400
Printer/Display	2,783	319,099	2,317	271,089	2,192	271,808	2,011	261,430	900	162,000
Personal Computers	1,950	—	750	—	371	—	246	—	212	—
Radar Detectors	608	104,497	518	87,542	464	72,848	576	69,660	719	—
Telephones†	4,521	449,939	3,155	289,395	2,643	222,779	2,244	163,156	1,418*	67,220*
Telephone Answering Devices	868	131,936	697	111,520	579	92,640	495	80,685	400	84,000
Videogames	6,542	846,862	4,010	519,095	2.806	327,909	2,700	201,177	4,142	261,319
Videogame Software	61,000	1,525,000	36.000	972,000	**	**	**	**	**	**
Non-Video Electronic Games†	14,045	—	16,539	—	19,702	—	16,083	—	5,656	—
Watches										
Digital†	24,274	611,219	23,595	625,268	21,163	623,030	19,717	648,654	17,750	642,500
ELECTRONICS FURNITURE										
Electronics Furniture, Total	**4,628**	**556,868**	**4,144**	**487,334**	**	**	**	**	**	**
Audio (components)	820	125,485	863	129,500	**	**	**	**	**	**
Audio/Video Centers	145	54,705	127	44,432	**	**	**	**	**	**
Home Computer Tables	150	23,250	50	7,500	**	**	**	**	**	**
Microwave Oven Carts	611	80,223	575	71,875	**	**	**	**	**	**
Stereo Carts	132	8,525	160	10,830	**	**	**	**	**	**
Television Carts	2,172	182,411	2,088	167,043	**	**	**	**	**	**
TV/VCR/Videodisc Player	331	68,912	281	56,154	**	**	**	**	**	**
Videogame Carts	267	13,357	—	—	**	**	**	**	**	**

*Not broken out separately **Category not reported †See Highlights charts for further information

Personal computers blast to prominence; VCR's post a better than 50% gain; audio remains on the back burner

If it is remembered for anything in consumer electronics, 1982 will go down as the year that launched the personal computer boom. By the time 1983 rolled around, computers were being sold in virtually every type of retail outlet imaginable, and at price points well below $100 in some cases.

Probably the biggest challenge facing retailers was what to sell and how to sell it. Consumers seemed eager to buy—viewing computers as beefed-up videogames that offered the family "something extra." But the market was swiftly inundated with new products, peripherals and accessories capable of confusing even the most computer-savvy dealers.

And to make matters worse, price wars were being waged from the bottom to the top of the computer category. Prices, discounts, rebate programs changed weekly. While the lower prices did bring many more customers into the market, the swiftness of their fall bred even more confusion. As a result, many retailers and consumers decided to sit back and wait until things get sorted out before they make their move into the computer age.

Meanwhile, however, the computer's influence was being felt in the videogame arena. Afraid of being left out, more and more game manufacturers are making sure their units can be upgraded to computers. Although it was not clear in 1982, it has since become apparent that few, if any, games will be left without keyboard add-ons by the end of 1983.

In videogame software, the year saw a rush of new manufacturers into the market, some more successful than others. Retailers found they were able to concentrate on ordering hot titles from each rather than remaining loyal to just a few lines. At the same time, however, prices began to crumble beneath all but the most popular games.

Activity in the telephone market was almost as hot and shows signs of getting even steamier this year. Shipments in 1982 showed healthy increases in all the categories tracked. Cordless models led the way.

As 1983 arrived, so did the deregulation of Ma Bell, which many see as the dawn of a new era in telephone retailing. Manufacturers and dealers alike are now rushing into the void, hoping for the best.

Elsewhere in personal electronics, unit shipments for most calculators were reported up. Consumers, shopping almost strictly for replacement product, found units with more affordable prices and more features packed into them. Declining prices in the digital watch area also continued to bolster shipments in 1982.

In fact, the only real loser in the entire category last year was the hand-held electronic game. With the exception of some arcade and "edu-fun" titles, there was little action in this category as videogame systems continued to steal their thunder. But all may not be lost. Hand-helds featuring interchangeable game cartridges are just now appearing on the scene. And, who knows, they may be all the rage come Christmas.

Video products shine

Although traditional video has stepped aside in deference to newer "stars" such as computers and videogames, many video products still posted impressive gains in shipments in 1982.

VCR's, for example, continued their surge, increasing by more than 50 percent over year-ago figures, despite court challenges which threaten to result in a surcharge on new machines and/or blank tape. Both the VHS and Beta format scored impressive gains, although market share between the two stayed essentially the same with VHS accounting for slightly more than 75 percent of the total market. The big winner was the portable format, which posted almost a 50 percent gain in shipments.

An impressive clue to the VCR's hold on the American imagination is the brisk sales of blank and prerecorded videocassettes. Here again, VHS dominates the market, although not quite as strongly as in hardware, with 70 percent of the shipments.

Disc players, both CED and laser, did not die in '82 as some had predicted. Solid percentage increases, however, belie the fact that '81 figures weren't that large to start with. A 50 percent increase in laser shipments, for example, means only that an additional 10,000 units were shipped last year. CED machines still held a commanding 87 percent of the market.

(continued on page 37)

VIDEO

BLACK & WHITE TV SHIPMENTS

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Battery-powered	1,623	1,549	+4.8%
Non-battery-powered	4,127	3,993	+3.4
Total	5,750	5,542	+3.8%

B&W TV SHIPMENTS BY SCREEN SIZE

Screen Size	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Mini Combination Units	560	464	+20.7%
9 in. & Under (Excluding mini-combination units)	666	727	– 8.4
12 in.	4,128	3,769	+ 9.5
13 & 15 in.	65	102	–36.3
16 & 17 in.	63	86	–26.7
18 & 19 in.	259	381	–32.0
22 in., Total	9	13	–30.8
Console & Combo	7	11	–36.4
Table	2	2	0.0
Total	5,750	5,542	+ 3.8%

COLOR TV SHIPMENTS

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
With Remote Control	3,825	3,484	+9.8%
Without Remote Control	7,552	7,778	–2.9
Total	11,377	11,262	+1.0%

COLOR TV SHIPMENTS BY SCREEN SIZE

Screen Size	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
9 in.	467	472	– 1.1%
12 & 13 in.	1,805	1,790	+ 0.8
14 & 15 in.	268	296	– 9.5
16 & 17 in.	351	370	– 5.1
18 & 19 in.	5,645	5,538	+ 1.9
21 in.	171	176	– 2.8
23 in., Total	248	253	– 2.0
Console & Combo	209	215	– 2.8
Table	39	38	+ 2.6
25 in., Total	2,422	2,367	+ 2.3
Console & Combo	2,291	2,264	+ 1.2
Table	131	103	+27.5
Total	11,377	11,262	+ 1.0%

VIDEOCASSETTE RECORDER SHIPMENTS BY TYPE

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Portable VCR	427	289	+47.7%
Deck VCR	1,603	1,041	+54.0
Total	2,030	1,330	+52.6%

VIDEOCASSETTE RECORDER SHIPMENTS BY FORMAT

	1982		1981	
Format	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Beta	490	343,000	336	257,594
VHS	1,540	1,001,000	994	799,464
Total	2,030	1,344,000	1,330	1,057,058

VIDEO CAMERA SHIPMENTS BY TYPE

	1982		1981	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
B&W	10	2,537	11	2,797
Color	274	262,906	175	183,512
Total	284	265,443	186	186,309

PRERECORDED VIDEOTAPE BY FORMAT

	1982		1981	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Beta	1,960	113,288	1,643	111,724
VHS	4,550	293,930	3,529	268,204
Total	6,510	407,218	5,172	379,928

PRERECORDED VIDEOTAPE

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
General Interest	4,400	3,469	+26.8%
X-rated	2,110	1,703	+23.3
Total	6,510	5,172	+25.9%

VIDEODISC PLAYER SHIPMENTS BY TYPE

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
CED	210	140	+50.0%
Laser	30	20	+50.0
Total	240	160	+50.0%

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RADIO

HOME RADIO SHIPMENTS BY POWER SOURCE

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Plug-In	9,639	10,542	− 8.6%
Battery-Operated	8,204	9,282	−11.6
AC/DC Combo	8,675	8,057	+ 7.7
Total	26,518	27,881	− 4.9%

HOME RADIO SHIPMENTS BY TYPE

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
AM only	3,180	4,028	−21.1%
FM & AM/FM	23,338	23,853	− 2.2
Total	26,518	27,881	− 4.9%

CLOCK RADIO SHIPMENTS BY TYPE

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Analog	785	1,700	−53.8%
Digital, Total	7,804	7,702	+ 1.3
Electronic Display	6,637	5,736	+15.7%
Mechanical Leaf	1,167	1,966	−40.6
Total	8,589	9,402	− 8.6%

SPECIALTY RADIO SHIPMENTS BY TYPE

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Multi-band	6,594	7,022	−6.1%
Weather-band	1,075	1,038	+3.6
Scanners	829	920	−9.9%

PERSONAL ELECTRONICS/AUDIO

TELEPHONE SHIPMENTS

	1982		1981	
Type	Units (000)	Retail Value ($000)	Units (000)	Retail Value ($000)
Standard	1,406	45,765	1,090	33,790
Decorator	1,592	159,200	1,284	115,560
Advanced Electronic	536	77,184	359	55,645
Cordless	987	167,790	422	84,400
Total	4,521	449,939	3,155	289,395

NON-VIDEO ELECTRONIC GAME SHIPMENTS

	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Board (strategy)	3,357	3,739	−10.2%
Hand-Held	10,688	12,800	−16.5
Total	14,045	16,539	−15.1%

DIGITAL WATCH SHIPMENTS BY TYPE

	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Men's	17,673	17,163	+3.0%
Ladies'	6,601	6,432	+2.6
Total	24,274	23,595	+2.9%

BLANK AUDIOCASSETTE SHIPMENTS BY TYPE

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Metal Particle Tape	1,012	926	+9.3%
*Premium	132,826	129,967	+2.2
Promotional	102,506	97,254	+5.4
Total	236,344	228,147	+3.6%

*High coercivity ferrite, cobalt ferrite, etc.

(continued from page 32)

The news was not so good on the television side, particularly in projection units where shipments dropped to 117,000. Color TV's enjoyed only a modest one percent growth rate. There, the only bright spots were cable-ready sets, units with remote control and 25-in. table models.

Audio sales dip

Audio continued to play the role of the stepchild in the consumer electronics industry in 1982. Its bigger, stronger brothers in the personal electronics and video categories showed no mercy in claiming the spotlight and the bulk of sales for their own.

Component shipments slipped for the third straight year, with only cassette decks generating anything that could be called a sizable increase. At the same time, falling prices made an already difficult situation even harder for manufacturers and retailers to bear.

Compact systems fared no better. In fact, shipments here fell below the three million mark for the first time in years.

Even portable tape, a category that has shown consistent gains in recent years, slipped in 1982. It should be noted, however, that the elusive personal portable category continues to prove impossible to track. While some sources indicate that approximately seven million were shipped last year, *Merchandising* has not been able to put together anything that could be considered a consensus of opinion.

The autosound category, usually a winner in years gone by, turned in a modest gain in shipments in 1982. But even here, growth was not what it used to be.

Software, however, was another story. Solid gains were made in the blank audiocassette area in the metal, premium and promotional categories.

All in all, many in the industry are looking forward to the rest of 1983, hoping for something of a resurrection in audio. Several factors—including the debut of the digital audiodisc and Beta Hifi—some believe, will breathe new life into this segment of the consumer electronics industry which has been so badly battered in recent years.

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5 YEAR TABLES
HOUSEWARES

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PRODUCTS	1982		1981		1980		1979		1978	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
KITCHEN ELECTRICS										
Bag Sealers	2,016	28,930	2,064	28,896	2,150	27,950	2,390	28,680	2,600	31,200
Blenders	4,587	108,987	4,823	110,929	4,673	102,806	5,025	105,525	5,660	113,200
Broilers, Total	**2,205**	**130,680**	**2,435**	**136,700**	**2,518**	**133,084**	**2,423**	**118,779**	**2,280**	**99,000**
With Rotisseries	385	31,308	420	31,920	441	31,311	464	30,624	460	25,300
Without Rotisseries	1,820	99,372	2,015	104,780	2,077	101,773	1,959	88,155	1,820	63,700
Can Openers, Total	**5,439**	**85,421**	**5,544**	**85,386**	**5,550**	**79,857**	**5,520**	**73,947**	**5,660**	**77,860**
Single Units	2,978	42,526	2,954	41,356	2,981	38,753	2,951	35,412	3,060	33,660
Combination Units	2,461	42,895	2,590	44,030	2,569	41,104	2,569	38,535	2,600	44,200
Coffee Grinders	393	8,332	375	7,500	361	6,859	368	6,624	382	6,474
Coffee Makers, Total	**12,690**	**356,750**	**12,655**	**347,983**	**12,957**	**338,388**	**12,104**	**298,280**	**10,500**	**265,150**
Automatic (1-16 cup)	2,763	62,056	2,850	62,700	3,051	61,020	2,906	50,855	2,200	37,400
Party Perc (Over 16 cup)	900	27,675	938	28,140	967	27,076	921	23,946	775	17,050
ADC	9,027	267,019	8,867	257,143	8,939	250,292	8,277	223,479	7,525	210,700
Convection Ovens	300	54,000	428	79,180	488	92,720	250	50,000	**	**
Cornpoppers, Total	**5,778**	**160,374**	**5,777**	**156,456**	**5,543**	**141,340**	**5,280**	**129,791**	**3,600**	**65,400**
Hot Air	3,862	131,308	3,703	125,902	3,480	112,720	2,900	96,877	1,096	33,283
Hot Oil	1,916	29,066	2,074	30,554	2,063	26,620	2,380	32,914	2,504	32,117
Crepe Pans	206	2,701	242	3,107	277	3,324	364	4,732	500	6,000
Deep Fryers	3,031	72,883	2,952	67,546	2,869	58,724	2,818	55,060	2,733	49,975
Egg Cookers	415	7,138	428	7,276	460	7,360	460	6,900	440	6,600
Fondues, Electric	178	4,689	177	4,602	195	4,680	215	4,945	250	3,500
Food Processors	2,689	171,881	3,186	197,532	3,180	203,520	3,000	183,000	2,000	120,000
Food Slicers	488	28,450	535	29,960	560	29,680	523	26,673	500	30,000
Frypan—Skillets	2,632	121,835	2,553	112,332	2,736	109,440	2,709	102,942	2,600	93,600
Griddles/Quick Grills	554	21,484	580	21,460	628	21,352	661	21,152	646	18,088
Hotplates & Buffet Ranges	905	26,100	807	22,596	795	20,670	803	20,075	761	15,220
Ice Cream Makers	1,348	31,287	1,327	29,194	1,332	27,972	1,306	25,467	1,333	33,325
Ice Crushers	178	4,311	196	4,704	195	4,290	188	3,760	177	3,540
Irons, Total	**10,797**	**333,667**	**10,882**	**326,442**	**11,184**	**317,149**	**10,340**	**286,590**	**10,451**	**298,039**
Steam & Steam/Spray	10,216	324,756	10,300	316,730	10,584	307,755	9,795	278,395	9,865	289,625
Automatic Dry	380	6,232	382	6,112	403	6,045	350	5,075	376	5,264
Travel	201	2,679	200	3,600	197	3,349	195	3,120	210	3,150
Knives, Electric Slicing	1,580	30,936	1,672	31,768	1,641	29,538	1,692	28,764	1,700	27,200
Mixers, Food, Total	**5,217**	**172,451**	**5,330**	**170,650**	**5,626**	**159,596**	**5,568**	**155,850**	**5,175**	**131,745**
Stand Type	1,208	89,465	1,281	89,670	1,268	81,152	1,457	85,963	1,255	69,025
Portable Hand	4,009	82,986	4,049	80,980	4,358	78,444	4,111	69,887	3,920	62,720
Slow Cookers	5,500	120,780	5,641	118,461	5,585	111,700	5,641	107,179	6,700	140,700
Toasters, Total	**8,934**	**293,093**	**9,249**	**289,900**	**9,291**	**267,988**	**8,916**	**252,136**	**8,100**	**219,600**
Two-Slice	4,453	96,586	4,643	97,503	4,709	94,180	4,576	91,920	4,000	80,000
Four-Slice	1,653	57,938	1,744	59,296	1,787	57,184	1,752	52,560	1,800	52,200
Toaster-Ovens	840	34,398	909	35,451	908	33,596	888	32,856	800	28,900
Toaster-Oven/Broilers	1,988	104,171	1,953	97,650	1,887	83,028	1,700	74,800	1,500	58,500
Waffle Irons/Sandwich Grills	1,152	30,885	1,141	29,666	1,141	27,384	1,119	24,618	1,034	17,578
Woks, Electric	560	24,108	550	23,100	566	22,074	578	22,542	550	24,750
AIR TREATMENT										
Air Purifiers*	5,650	147,635	4,300	118,250	**	**	**	**	**	**
Fans, Total†	**19,751**	**1,436,760**	**19,283**	**1,484,527**	**17,100**	**1,286,704**	**12,930**	**503,537**	**12,098**	**359,574**
Ceiling	5,067	760,050	4,830	845,250	3,670	734,000	**	**	**	**
Other	14,684	676,710	14,453	639,277	13,430	552,704	12,930	503,537	12,098	359,574
Portable Electric Heaters, Total	**4,609**	**206,563**	**4,551**	**202,742**	**4,569**	**196,396**	**4,957**	**178,106**	**4,467**	**123,449**
Fan-Forced	2,829	103,089	2,760	95,766	2,854	91,328	3,805	114,150	3,887	104,949
Non-Fan-Forced	173	4,178	170	3,910	176	3,696	207	3,933	140	2,660
Baseboard	240	13,306	263	13,886	289	13,872	445	20,025	440	15,840
Oil-Filled	441	39,690	220	20,900	**	**	**	**	**	**
Quartz	926	46,300	1,138	68,280	1,250	87,500	500	40,000	**	**
Kerosene Heaters	3,981	497,625	2,633	460,775	**	**	**	**	**	**
Humidifiers	895	101,493	869	93,852	821	86,205	850	80,750	940	84,600
Vaporizers	1,808	21,931	1,747	20,178	1,624	17,864	1,400	14,000	1,200	12,000
FLOOR CARE										
Carpet Sweepers	1,571	36,494	1,499	34,477	1,404	29,484	1,300	26,000	1,200	21,600
Floor Polishers	209	12,243	308	17,864	315	17,327	358	18,957	363	16,342
Vacuum Cleaners, Total	**7,603**	**1,098,825**	**8,005**	**1,176,890**	**7,727**	**1,089,397**	**8,199**	**1,085,489**	**8,246**	**1,025,307**
Canisters	2,401	451,820	2,650	514,100	2,585	483,631	2,810	491,995	2,970	475,357
Upright	4,001	602,110	4,150	618,350	3,979	565,219	4,145	551,433	4,104	513,439
Lightweight†	1,201	44,895	1,205	44,440	1,163	40,547	1,244	42,061	1,172	36,511
Total Floor Care	**9,383**	**1,147,562**	**9,812**	**1,229,231**	**9,446**	**1,136,208**	**9,857**	**1,130,446**	**9,809**	**1,063,249**

*Retailing for $500 or more

**Category not reported

†See Highlights charts for further breakdown

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PRODUCTS	1982		1981		1980		1979		1978	
	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)	NUMBER SHIPPED (000)	RETAIL VALUE ($000)
PERSONAL CARE										
Curling Brushes	2,000	24,600	2,117	25,404	1,969	21,659	875	10,500	**	**
Curling Irons/Styling Wands†	5,984	52,863	6,339	54,994	6,496	58,340	6,463	58,868	6,200	75,500
Hair Dryers, Total	**18,413**	**315,876**	**18,359**	**309,375**	**18,865**	**317,034**	**18,488**	**312,670**	**18,970**	**353,935**
Pistol Type	13,398	204,052	13,008	195,120	12,880	193,200	12,267	189,525	11,400	205,200
Styling Dryers	4,000	79,320	4,308	83,489	4,940	93,860	5,200	96,044	6,625	125,875
Hard-Top	605	22,857	601	22,237	582	19,788	539	16,979	495	13,860
Portable With Bonnet	410	9,647	442	10,166	463	10,186	482	10,122	450	9,000
Hair Setters†	2,843	67,066	2,832	64,838	2,735	58,721	2,382	51,800	1,989	41,255
Heating Pads	4,267	49,284	4,301	47,311	4,389	43,890	4,100	36,900	3,940	35,460
Massagers, Foot Bath	1,615	64,600	1,442	64,890	1,140	57,000	750	37,500	**	**
Massagers, Hand-Held	1,142	19,026	940	15,341	863	13,808	830	13,280	798	12,768
Massagers, Shower (Heads)	2,250	57,105	2,110	52,750	2,017	46,391	1,885	37,229	2,035	40,700
Mirrors, Make-Up	1,729	38,453	1,689	37,158	1,682	35,322	1,633	34,293	1,490	32,780
Oral Hygiene Devices, Total	**1,625**	**33,624**	**1,654**	**33,756**	**1,656**	**31,242**	**1,650**	**27,721**	**1,540**	**25,480**
Water Pulsators	1,091	26,522	1,114	26,736	1,137	25,014	1,126	21,957	1,000	19,000
Toothbrushes, Electric	534	7,102	540	7,020	519	6,228	524	5,764	540	6,480
Saunas, Facial	650	12,610	620	11,780	583	10,494	550	9,763	440	7,040
Scales, Bathroom†	6,178	122,382	6,100	112,600	5,888	96,944	5,518	78,190	4,870	62,093
Shavers, Total	**6,367**	**205,553**	**6,179**	**195,513**	**6,007**	**189,685**	**5,960**	**177,405**	**5,650**	**162,800**
Men's	5,031	179,808	4,882	170,870	4,722	165,270	4,675	154,275	4,450	142,400
Women's	1,336	25,745	1,297	24,643	1,285	24,415	1,285	23,130	1,200	20,400
CLOCKS										
Clocks, Total†	**30,327**	**550,379**	**29,605**	**530,225**	**27,291**	**462,432**	**26,664**	**417,494**	**23,987**	**332,060**
Decorative Wall, Total	**6,005**	**264,373**	**5,808**	**252,721**	**5,127**	**212,319**	**5,066**	**194,828**	**4,477**	**152,764**
Analog	5,510	244,424	5,339	234,008	4,680	195,333	4,610	178,868	4,164	137,412
Digital	495	19,949	469	18,713	447	16,986	456	15,960	313	15,352
Kitchen Wall, Total	**7,004**	**107,129**	**6,959**	**105,177**	**6,295**	**91,737**	**6,284**	**82,322**	**6,061**	**66,048**
Analog	6,870	104,287	6,827	102,405	6,169	89,217	6,158	80,054	5,879	63,493
Digital	134	2,842	132	2,772	126	2,520	126	2,268	182	2,555
Alarm, Total	**16,303**	**150,524**	**15,880**	**145,771**	**14,955**	**134,260**	**14,417**	**119,146**	**12,756**	**97,379**
Analog	10,836	88,638	10,520	85,632	10,019	79,964	9,804	71,863	9,700	72,750
Digital	5,467	61,886	5,360	60,139	4,936	54,296	4,613	47,283	3,056	24,629
Desk/Table/Occasional, Total	**1,015**	**28,353**	**958**	**26,556**	**914**	**24,116**	**897**	**21,198**	**693**	**15,869**
Analog	986	26,888	928	25,056	887	22,820	870	20,010	680	15,300
Digital	29	1,465	30	1,500	27	1,296	27	1,188	13	569
COOKWARE & BAKEWARE										
Metal Cookware & Bakeware, Total†	**106,298**	**1,561,518**	**110,482**	**1,537,911**	**110,229**	**1,448,780**	**106,723**	**1,354,000**	**91,534**	**1,250,000**
Aluminum	66,384	—	71,381	—	71,452	—	65,552	—	53,319	—
Stainless Steel	25,975	—	25,194	—	24,652	—	26,225	—	24,313	—
Enamel	7,151	—	7,130	—	7,018	—	7,546	—	7,100	—
Cast Iron	4,391	—	4,378	—	4,608	—	4,850	—	4,302	—
Porcelain Enamel on Cast Iron	2,397	—	2,399	—	2,499	—	2,550	—	2,500	—
Microwave Cookware, Total	**19,125**	**—**	**18,528**	**—**	**16,889**	**—**	**15,706**	**—**	**13,700**	**—**
Plastic	7,735	—	7,311	—	6,196	—	5,483	—	4,900	—
Ceramic	4,257	—	4,121	—	3,862	—	3,678	—	3,000	—
Stoneware	2,031	—	2,094	—	2,033	—	2,074	—	2,300	—
Glass	4,262	—	4,174	—	3,990	—	3,694	—	2,900	—
Other	840	—	828	—	808	—	777	—	600	—
Microwave Appliances†	587	8,320	512	7,360	**	**	**	**	**	**
Pressure Cookers, Total	**2,721**	**96,292**	**2,727**	**95,098**	**2,700**	**92,575**	**2,825**	**90,275**	**2,450**	**79,100**
Non-Electric	2,427	80,698	2,401	77,976	2,375	76,000	2,500	75,000	2,100	63,000
Electric	294	15,594	326	17,122	325	16,575	325	15,275	350	16,100
HOME SECURITY										
Home Security, Total	**17,340**	**335,987**	**17,079**	**338,414**	**15,791**	**303,417**	**12,308**	**209,230**	**13,500**	**278,250**
Smoke Detectors	7,100	114,168	7,267	116,272	6,270	94,050	6,600	94,200	8,500	153,000
Fire Extinguishers	4,719	34,685	4,710	32,970	4,700	32,900	5,000	35,000	4,500	31,500
Intrusion Systems	615	38,979	609	38,367	556	35,028	475	42,750	250	18,750
Smoke/Fire/Intrusion Systems	375	48,473	370	47,730	338	43,264	233	37,280	250	75,000
Timers	4,531	99,682	4,123	103,075	3,927	98,175	**	**	**	**
OUTDOOR PRODUCTS										
Barbecue Grills, Total	**12,638**	**348,832††**	**12,180**	**314,830††**	**11,572**	**282,060††**	**11,098**	**252,829††**	**11,070**	**219,650††**
Gas	1,687	207,872††	1,477	180,194††	1,420	161,880††	1,327	139,335††	1,176	112,945††
Electric	125	5,310††	127	5,080††	132	4,950††	136	5,100††	144	4,839††
Charcoal†	10,826	135,650††	10,576	129,556††	10,020	115,230††	9,635	108,394††	9,750	101,866††
Electronic Bug Killers	681	34,050	592	35,520	450	29,250	**	**	**	**

*Retailing for under $500

**Category not reported

†See Highlights charts for further breakdown

††Factory dollars

HOUSEWARES HIGHLIGHTS

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STEAM & STEAM/SPRAY IRON SHIPMENTS

Type	1982 Units (000)	1982 Retail Value ($000)	1981 Units (000)	1981 Retail Value ($000)
Full-Feature Lightweight	4,590	138,985	4,500	131,130
Standard	5,626	185,771	5,800	185,600
Total	10,216	324,756	10,300	316,730

AIR PURIFIER SHIPMENTS BY TYPE

Type	1932 Units (000)	Percent of Total
Filtration	5,100	90.2%
Ionization	550	9.8
Total	5,650	100.0%

FAN SHIPMENTS

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Ceiling Fans	5,067	4,830	+ 4.9%
Window	5,770	5,537	+ 4.2
Kitchen/Bathroom Built-In Exhaust	2,827	3,043	− 7.1
Range/Oven hood	2,278	2,410	− 5.5
Desk/Bracket/Pedestal	2,843	2,472	+15.0
Hassock/Roll-about	966	991	− 2.5
Total	19,751	19,283	+ 2.4%

LIGHTWEIGHT VACUUM SHIPMENTS

Type	1982 Units (000)	1982 Retail Value ($000)	1981 Units (000)	1981 Retail Value ($000)
Sticks	950	36,461	980	37,240
Hand-Held	251	8,434	225	7,200
Total	1,201	44,895	1,205	44,440

HAIR SETTER SHIPMENTS

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Dry	1,599	1,565	+2.2%
Mist	1,244	1,267	−1.8
Total	2,843	2,832	+0.4%

CURLING IRON/STYLING WAND SHIPMENTS

Type	1982 Units (000)	1982 Retail Value ($000)	1981 Units (000)	1981 Retail Value ($000)
Dry	4,084	$33,407	4,198	33,584
Mist	1,900	19,456	2,141	21,410
Total	5,984	52,863	6,339	54,994

BATHROOM SCALE SHIPMENTS BY TYPE

Type	1982 Units (000)	1982 Retail Value ($000)	1981 Units (000)	1981 Retail Value ($000)
Electronic Digital	1,190	52,550	850	39,100
Regular	4,988	69,832	5,250	73,500
Total	6,178	122,382	6,100	112,600

METAL COOKWARE SHIPMENTS

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
With Non-Stick Surface	47,191	49,571	−4.8%
Without Non-Stick Surface	59,107	60,911	−3.0
Total	106,298	110,482	−3.8%

CHARCOAL GRILL SHIPMENTS BY TYPE

Type	1982 Units (000)	1981 Units (000)	Percent Change 1982/1981
Picnic Grills	4,117	3,947	+ 4.3%
Smokers	3,079	3,094	− 0.5
Hibachis	2,405	2,293	+ 4.9
Braziers	1,032	1,025	+ 0.7
Wagons	188	209	−10.0
Fireplace	5	8	−37.5
Total	10,826	10,576	+ 2.4%

MICROWAVE APPLIANCE SHIPMENTS BY TYPE

Type	1982 Units (000)	1982 Retail Value ($000)	1981 Units (000)	1981 Retail Value ($000)
Cornpoppers	518	6,247	450	5,400
Coffee Makers	14	316	11	253
Pizza Crispers	29	734	23	587
Steamers	26	1,023	28	1,120
Total	587	8,320	512	7,360

Housewares shipments show little growth, although air treatment products, clocks and some kitchen electrics gain

Total manufacturer shipments for 1982 remained either even with 1981 or down slightly in most of the housewares categories tracked by *Merchandising.* The slow economy, a lack of product innovation and the consumers' heightened interest in electronics all contributed to a rather lackluster year in the housewares business.

There were several bright spots in the picture, however. Shipments climbed in air treatment, clocks, many kitchen electrics used for entertaining and personal care products, despite the uncertain economy.

Although shipments of kerosene heaters skyrocketed 51.2 percent over 1981's figures, sales at retail did not meet vendors' expectations due to a balmy winter and negative publicity from a Consumer Reports study last fall which blasted the industry.

Shipments in the outdoor category, including grills and electronic bug killers, also inched upward. The trend to entertaining friends at home with outdoor picnics as well as added features on grills has given this category a needed shot in the arm.

Although sales of microwave ovens were disappointing throughout much of 1982, people who already owned units still bought cookware and accessories. Shipments in these categories crawled upward, and Rubbermaid's recent entry into the microwave cookware market should help bring added attention to the category.

Air treatment soars

Air treatment shipments were up across the board, except for quartz and baseboard heaters. The most notable jump was in the air purifier category where shipments soared 31.4 percent, to 5.65 million units in 1982.

(continued on page 42)

CLOCKS BY POWER SOURCE — SHIPMENTS AND SALES

Type	(in thousands)	Total 1982	Total 1981	Electric 1982	Electric 1981	Battery, Quartz 1982	Battery, Quartz 1981	Battery, Non-Quartz 1982	Battery, Non-Quartz 1981	Key-Wind 1982	Key-Wind 1981
Decorative Wall	**Units**	6,005	5,808	1,426	1,542	3,859	3,515	454	463	266	288
	Dollars	264,373	252,721	29,666	31,892	209,451	194,957	21,035	21,319	4,221	4,553
Kitchen Wall	**Units**	7,004	6,959	2,793	2,994	3,956	3,719	255	246	—	—
	Dollars	107,129	105,177	37,940	40,495	65,755	61,380	3,434	3,302	—	—
Alarm	**Units**	16,303	15,880	6,381	6,661	6,867	6,093	—	—	3,055	3,126
	Dollars	150,524	145,771	49,982	52,246	67,219	59,736	—	—	33,323	33,789
Desk/Table	**Units**	1,015	958	150	165	570	483	83	85	212	225
	Dollars	28,353	26,556	2,441	2,686	16,676	14,144	2,060	2,104	7,176	7,622
Total	**Units**	30,327	29,605	10,750	11,362	15,252	13,810	792	794	3,533	3,639
	Dollars	550,379	530,225	120,029	127,319	359,101	330,217	26,529	26,725	44,720	45,964

(continued from page 41)

Although many retailers reported a soft season in air purifiers, saying that the category may be nearing saturation, there has been some action in the ionizers. Evidently, consumers with breathing and allergy problems are willing to shell out extra dollars to invest in such high-ticket items as ionizers.

Replacement filters are still generating brisk sales at retail, and were recently cited as "the best part of the air purifier business" by one retailer. People who have already purchased air purifiers are definitely putting the units to use.

Ceiling fan shipments also crept upward 4.9 percent to over five million units in 1982. The reversible blade feature has alerted many consumers to the fact that ceiling fans can be used to save energy during the winter too. However, the warm winter has left many retailers sitting on piles of inventory since sales did not meet expectations.

Although shipments of kerosene heaters skyrocketed 51.2 percent to 3,981,000 units in 1982, this gain did not quite meet expected shipments reported in the September 1982 issue of *Merchandising*. At that time, suppliers anticipated that shipments would reach 4,038,000.

The sultry winter weather and the Consumer Reports article which declared kerosene heaters "unsafe" has apparently numbed the industry. While vendors thought that many people would ignore the study, the repercussions from the article have placed a greater chill on sales than was originally expected.

Vaporizers also climbed 3.5 percent to 1.8 million units. There may be some added interest in this category in 1983 due to several vendors introducing ultrasonic units. Vaporizers are reportedly selling well in dry climates and are purchased by people with breathing problems.

Clocks tick upward

Elsewhere in housewares, clock shipments showed some promising gains. Total shipments were up to over 30 million units in 1982. The most substantial gains were apparent in battery quartz models of decorative wall, kitchen wall, alarm and desk clocks.

As quartz prices plunge, retailers say, consumers are buying more clocks to spruce up their homes. Decorative timepieces, especially wooden wall clocks, have worked wonders for many stores.

Battery quartz alarm clocks rose 12.7 percent to 6.9 million units. And as voice technology begins to overcome some of the functional problems which cropped up in introductory models, there may be some added jumps in clock volume.

There are now clocks which can wake people up in either a male or female voice, and that can announce the time every hour if desired. Time will tell if these models will serve as "novelty" items, or if they will become standard alarm clocks in many homes.

The pinched economy has forced many consumers to entertain friends and family more at home, instead of dining out. So it's no surprise that while the overall kitchen electrics category declined by two percent, there were some notable gains in those electrics used for entertaining purposes.

While kitchen electrics no longer celebrate the long-forgotten days of the hamburger makers and donut makers, there are some categories which have crept into the limelight. As videocassette recorders hit more and more homes, shipments of hot air cornpoppers have jumped 4.3 percent to 3.9 million units. Perhaps the desire to simulate a movie theater environment within the home has helped spur hot air cornpopper sales among VCR owners.

At the same time, shipments of hot oil cornpoppers plunged 7.6 percent last year. More people today are watching their waistlines and realize that hot air cornpoppers can save calories. In addition, many consumers need to watch their cholesterol levels, and can do so without eating popcorn cooked using oil.

Since more people today are sipping freshly brewed coffee (whether alone or with friends), grinder shipments are also up. They climbed 4.8 percent in 1982, to 393,000 units. At the same time, ADC coffee makers crept upward 1.8 percent, to nine million units.

An added interest in serving "gourmet" coffee has helped spur sales of these appliances. And many department stores are even selling fresh coffee beans in their electrics departments to keep pace with this trend.

With more people entertaining at home, shipments of hotplates and buffet ranges climbed 12.1 percent, to 905,000 units.

These items can be used to keep hors d'oeuvres warm and enable the entertainer to sit in the room with his guests instead of having to run back and forth to the kitchen.

Pistol dryers rise

In personal care, total shipments remained fairly stable with only a small increase. There were, however, some gains in individual product categories.

Pistol hair dryers shot upward three percent to 13.4 million units. This can be attributed to an added consumer interest in the stylish portable hair dryers designed for travel.

At the January Housewares show, a number of suppliers debuted "European-style" portables that won rave reviews from retailers. Vendors also hinted there may be some surprises in technological advances in hair dryers in the offing, which should further fuel sales in this category.

Hand-held massager shipments skyrocketed to 1.1 million units, a 21.5 percent increase over 1981 figures. The consumers' added interest in health and physical fitness has given this product an added boost. More people today are using massagers to relax overworked muscles after exercise sessions.

The boom in physical fitness has also helped sales of bathroom scales, with people more conscious of shaving unwanted pounds. Shipments of electronic digital scales rose from 850,000 units in 1981 to 1.2 million in 1982. Overall, shipments of scales, including standard units, were up 1.3 percent.

Grill shipments sizzle

As more people flock outdoors to jog and exercise and eat when warmer weather hits, shipments of grills have also enjoyed growth. Gas grills soared 14.2 percent to 1.7 million units in 1982. And since the cost of eating out has soared, many more people are resorting to picnics in their backyards to entertain friends.

And people who remain in their backyards for extended periods of time are buying electronic bug killers to zap unwanted pests. Shipments flew upward 15 percent, to 681,000 units.

Despite disappointing sales of microwave ovens at retail throughout much of 1982, there has been some action with microwave cookware. Overall, microwave cookware shipments increased from 18.5 million units in 1981 to 19.1 million in 1982.

Rubbermaid's recent entry into microwave cookware is also expected to draw this category into the limelight. Meanwhile, shipments of microwave appliances, such as steamers and coffee makers, soared 14.6 percent to 587,000 units. Consumers are apparently using their microwave ovens for more than just reheating food.

—Stephanie Flory
associate editor/housewares

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REGIONS	RESIDENTIAL CUSTOMERS 3RD QTR. 1982 (1)		FARM RESIDENTIAL CUSTOMERS (2)		AUTHORIZED HOUSING PERMITS (3) (Projected From 9 Mos.)		PROJECTED PERSONAL INCOME 1982 (4) (IN MILLIONS OF DOLLARS)	
	NUMBER	PERCENT CHANGE 3RD QTR. (1982/1981)	NUMBER	PERCENT CHANGE (1982/1981)	NUMBER	PERCENT CHANGE (1982/1981)	AMOUNT	PERCENT CHANGE (1982/1981)
NEW ENGLAND:								
TOTAL	**4,591,356**	**+ 1.2%**	**28,590**	**– 5.0%**	**35,966**	**– 7.8%**	**$148,862**	**+ 6.9%**
CONNECTICUT	1,141,023	+ 0.9	4,250	+ 4.9	8,931	– 5.2	43,134	+ 6.0
MAINE	475,675	+ 2.2	7,800	– 4.9	2,978	+14.4	10,928	+ 6.9
MASSACHUSETTS	2,033,865	+ 1.2	5,250	– 8.7	15,954	– 5.0	68,812	+ 6.9
NEW HAMPSHIRE	375,414	+ 2.3	3,150	–11.3	3,648	–17.9	10,396	+ 9.8
RHODE ISLAND	341,491	+ 1.2	740	–12.9	2,499	–21.6	10,727	+ 6.8
VERMONT	223,888	– 1.1	7,400	– 5.1	1,956	–24.0	4,865	+ 7.5
MIDDLE ATLANTIC:								
TOTAL	**12,571,882**	**+ 0.8**	**118,300**	**+ 0.3**	**60,178**	**–16.0**	**442,983**	**+ 6.3**
NEW JERSEY	2,564,715	+ 1.3	9,400	+ 4.4	17,489	–15.7	96,300	+ 7.3
NEW YORK	5,770,630	+ 0.9	49,500	+ 4.2	22,897	–13.3	218,153	+ 7.5
PENNSYLVANIA	4,236,537	+ 0.5	59,400	– 3.3	19,792	–19.2	128,530	+ 3.5
EAST NORTH CENTRAL:								
TOTAL	**15,294,689**	**+ 0.3**	**438,500**	**– 0.2**	**64,141**	**–25.5**	**474,874**	**+ 3.5**
ILLINOIS	4,145,557	+ 0.2	102,900	– 1.0	16,650	+ 0.6	141,671	+ 2.8
INDIANA	1,993,717	+ 0.3	88,100	+ 2.3	10,756	–25.2	55,834	+ 2.6
MICHIGAN	3,389,604	+ 0.1	64,350	0	12,607	–33.9	106,994	+ 3.7
OHIO	3,936,185	+ 0.2	92,050	– 1.1	13,580	–37.9	119,065	+ 3.8
WISCONSIN	1,829,626	+ 1.1	91,100	– 1.0	10,548	–25.7	51,310	+ 5.4
WEST NORTH CENTRAL:								
TOTAL	**6,723,494**	**+ 1.3**	**545,050**	**– 1.3**	**46,770**	**– 5.6**	**193,630**	**+ 7.7**
IOWA	1,102,792	+ 0.1	115,850	– 0.8	5,660	– 2.4	32,232	+ 5.7
KANSAS	918,083	+ 1.1	75,150	+ 2.7	8,009	– 5.0	28,653	+ 8.6
MINNESOTA	1,551,595	+ 0.9	101,950	– 1.9	16,595	– 4.7	48,168	+ 8.4
MISSOURI	1,901,100	+ 0.1	115,800	– 1.7	9,871	– 2.4	52,983	+ 7.8
NEBRASKA	733,424	+ 8.1	62,350	– 1.6	3,437	–16.2	17,735	+ 7.1
NORTH DAKOTA	250,778	+ 1.2	37,450	– 4.9	2,111	– 2.4	7,298	+11.0
SOUTH DAKOTA	265,722	+ 1.0	36,500	– 2.5	1,087	–27.6	6,561	+ 8.2
SOUTH ATLANTIC:								
TOTAL	**14,279,948**	**+ 2.0**	**318,450**	**– 0.6**	**223,729**	**–21.8**	**389,218**	**+ 5.5**
DELAWARE	223,785	+ 1.0	3,350	– 2.9	3,052	+32.6	7,054	+ 2.6
DISTRICT OF COLUMBIA	175,253	+ 1.5	—	—	486	–50.5	8,916	+ 7.8
FLORIDA	4,403,464	+ 2.5	40,600	+ 5.2	93,650	–36.1	109,972	+ 7.6
GEORGIA	2,055,407	+ 2.2	57,400	– 1.7	35,229	+12.8	52,440	+ 4.3
MARYLAND	1,407,349	+ 1.5	17,800	+ 2.9	16,310	– 4.8	51,911	+ 3.7
NORTH CAROLINA	2,250,993	+ 2.3	87,100	– 5.4	31,414	–10.8	53,119	+ 3.3
SOUTH CAROLINA	1,156,970	+ 1.8	32,550	– 3.0	16,665	–15.2	26,568	+ 4.1
VIRGINIA	1,892,883	+ 1.6	59,400	+ 3.5	25,036	–17.9	61,320	+ 7.5
WEST VIRGINIA	713,844	+ 0.8	20,250	+ 3.1	1,887	–20.6	17,918	+ 4.9
EAST SOUTH CENTRAL:								
TOTAL	**5,404,790**	**+ 1.0**	**302,900**	**– 1.3**	**32,072**	**–11.4**	**126,667**	**+ 4.8**
ALABAMA	1,458,308	+ 0.8	56,450	– 1.7	6,923	–33.5	33,095	+ 3.1
KENTUCKY	1,341,714	+ 0.8	99,950	– 0.1	6,768	–16.1	32,002	+ 5.0
MISSISSIPPI	878,116	+ 1.4	52,450	– 3.7	5,405	– 8.4	20,157	+ 3.8
TENNESSEE	1,726,652	+ 1.2	94,050	– 1.1	12,976	+ 9.6	41,413	+ 6.5
WEST SOUTH CENTRAL:								
TOTAL	**9,110,387**	**+ 3.8**	**343,800**	**– 1.0**	**233,667**	**+32.8**	**272,562**	**+ 8.2**
ARKANSAS	929,400	+ 0.2	56,350	– 3.4	4,813	– 4.4	19,465	+ 4.7
LOUISIANA	1,535,928	+ 2.2	37,100	+ 1.2	19,784	+ 0.8	44,414	+ 7.4
OKLAHOMA	1,266,575	+ 2.3	70,200	– 1.4	23,062	+50.9	34,655	+ 8.8
TEXAS	5,378,484	+ 5.4	180,150	– 0.6	186,008	+36.8	174,028	+ 8.7
MOUNTAIN:								
TOTAL	**4,377,005**	**+ 2.0**	**116,400**	**– 0.6**	**84,523**	**–15.7**	**124,983**	**+ 7.8**
ARIZONA	1,006,911	+ 1.4	6,450	+ 3.2	26,203	–22.1	30,025	+10.2
COLORADO	1,203,816	+ 3.0	25,550	– 2.1	28,157	– 5.3	35,514	+ 6.9
IDAHO	367,438	0	23,750	– 0.8	2,114	–37.5	8,773	+ 3.8
MONTANA	323,202	+ 1.1	23,650	+ 0.9	1,729	–11.5	7,743	+ 7.6
NEVADA	331,859	+ 3.5	2,600	– 1.9	7,786	–26.7	10,494	+ 5.9
NEW MEXICO	469,514	+ 2.3	12,650	– 1.2	7,705	– 3.1	12,683	+10.2
UTAH	474,789	+ 2.0	12,750	– 0.8	7,363	–16.3	13,749	+ 7.9
WYOMING	199,476	+ 1.9	9,000	– 1.1	3,466	–16.2	6,002	+ 5.5
PACIFIC:								
TOTAL	**11,864,676**	**+ 1.7**	**157,600**	**+ 0.6**	**107,098**	**–30.1**	**421,101**	**+ 9.4**
ALASKA	[illegible],612	+ 0.2	400	+ 8.1	8,838	+95.8	6,716	+16.1
CALIFORNIA	[illegible],549	+ 1.7	79,150	– 0.1	71,665	–31.7	322,394	+ 9.9
HAWAII	[illegible],767	+ 1.6	3,850	0	5,329	–14.9	11,525	+ 5.6
OREGON	1,050,146	+ 0.4	35,600	+ 2.7	6,237	–51.6	28,342	+ 5.6
WASHINGTON	1,649,602	+ 2.4	38,600	0	15,029	–38.8	52,124	+ 8.4
U.S.A. TOTAL:	**84,218,227**	**+ 1.5**	**2,369,590**	**– 0.8**	**888,144**	**–11.0**	**$2,594,880**	**+ 6.5**

SOURCES: (1) Edison Electric Institute
(2) U.S. Dept. of Agriculture
(3) U.S. Dept. of Commerce—Housing Units Authorized by Building Permits and Public Contracts
(4) Based on information from Business Week through Sept. '82

EXPORTS

MAJOR APPLIANCES

Product**	1982*	1981	1980	1979
Dishwashers	49 $12,170	78 $17,053	125 $25,355	160 $29,113
Dryers	44 $11,180	56 $13,992	49 $10,920	50 $10,684
Freezers	29 $15,364	49 $26,373	54 $21,621	47 $16,122
Microwave Ovens	68 19,865	123 $33,757	97 $27,046	102 $26,987
Ranges, Electric	83 $29,799	93 $27,885	109 $29,182	74 $18,863
Refrigerators	239 $124,137	329 $172,453	342 $163,935	344 $139,924
Room Air Conditioners	372 $138,868	569 $217,170	604 $207,042	644 $200,003
Washers, Automatic	123 $37,449	142 $40,878	119 $32,008	86 $23,225
Washers, Other	17 $4,734	37 $9,490	72 $16,676	122 $26,445

HOUSEWARES

Product**	1982*	1981	1980	1979
Can Openers & Knife Sharpeners	232 $ 2,628	195 $ 2,345	169 $ 1,886	184 $ 1,837
Clocks, Electric	996 $ 1,192	902 $11,707	604 $ 9,709	929 $10,454
Coffee Makers	1,099 $11,929	1,264 $18,158	1,331 $17,962	1,055 $13,404
Fans	352 $27,155	215 $ 8,679	297 $ 8,143	300 $ 7,710
Irons	1,096 $11,784	1,888 $21,448	1,458 $15,363	1,457 $14,486
Juicers, Mixers & Blenders	914 $25,737	1,343 $31,561	1,430 $34,783	1,416 $33,138
Shavers, Electric	589 $ 5,589	316 $ 2,980	192 $ 2,335	298 $ 3,268
Toasters	860 $15,432	1,252 $19,113	1,151 $16,398	1,374 $14,395
Vacuum Cleaners	310 $31,508	558 $47,968	725 $53,846	859 $50,303

HOME ELECTRONICS

Product**	1982*	1981	1980	1979
Radios	1,238 $ 89,884	1,335 $ 91,623	1,104 $ 68,034	1,193 $ 65,217
TV, B&W	164 $ 19,754	260 $ 29,730	169 $ 20,840	158 $ 17,478
TV, Color	392 $143,036	646 $236,295	788 $276,982	375 $133,314
TV Chassis & Kits	1,763 $ 60,516	3,280 $123,786	2,458 $138,201	2,241 $115,194
TV, Total	2,319 $223,306	4,186 $389,811	3,415 $436,023	2,774 $265,986
Tape Recorders & Players	115 $ 18,865	150 $ 18,441	156 $ 23,280	166 $ 18,252

*Projection based on 10 months

**All figures in thousands, number of units exported. Manufacturer's value plus freight and insurance.

SOURCE: U.S. Dept. of Commerce
Bureau of the Census

Export figures slip for most products in '82; only a few housewares post gains over the previous year

It was not the best of years for U.S. exports. Of the three categories tracked by *Merchandising*—home electronics, major appliances and housewares—only housewares registered any gains whatsoever. And there, only four products showed increases:

- can openers and knife sharpeners,
- electric clocks,
- fans and
- electric shavers.

This compares with the previous year, when half of the products tracked showed gains in exports. At that point, consumer electronics, such as black and white televisions and radios, led the pack. In housewares, nine out of five categories posted increases. Only major appliances lost big. There, six out of nine product categories showed decreases. Only microwave ovens, dryers and automatic washers posted gains.

Last year, however, the worldwide recession appears to have caught up with the market. Manufacturers found sales sluggish in more than just the U.S. In addition, they discovered that foreign competition could get even hotter as markets dried up the world over.

Some did well

Why the four lone housewares products surged ahead is anybody's guess. Perhaps the new look in can openers from some U.S. manufacturers was partly responsible for the gains there. Maybe the fan exports were stepping in to take up the slack from room air conditioners, where exports dropped from 569,000 to 372,000 units.

Clocks might have done well because of the growing use of quartz movements plus the accompanying drop in prices. This has contributed to healthy growth in the U.S. clock market over the past few years. It could be that this momentum is being carried abroad.

In electric shavers, U.S. manufacturers appear to be stepping up their marketing efforts after years of relative inactivity. Again, these efforts could be carrying abroad.

Nevertheless, coffee makers; irons; juicers, mixers and blenders; toasters, and vacuum cleaners lost and lost big. All slipped back to levels well below those for 1980, and all but coffee makers dropped back to pre-1979 figures.

In consumer electrics, some of the losses were major. The total number of TV's exported plummeted from close to 4.2 million in 1981 to just over 2.3 million last year. Tape recorders and players also slipped as did radios.

Perhaps hit hardest, however, was the major appliance category. There, every product showed a significant decline. Every product but automatic washers slipped back below the level reached in 1980, and all but electric ranges fell back below 1979.

Microwave oven shipments dropped to 68,000, down from 123,000 the year before. Dishwasher exports dipped to 49,000 from 78,000, dryers to 44,000 from 56,000 and freezers to 29,000 from 49,000.

Hit just as hard were electric ranges, slipping to 83,000 from 93,000; refrigerators, to 239,000 from 329,000 and room air conditioners, to 372,000 from 569,000.

Will 1983 exports improve? The prognosis is probably not good. While a limited recovery at least is projected for the U.S., international markets have been hit far harder and may take all that much longer to bounce back.

IMPORTS

MAJOR APPLIANCES

Product**	1982*	1981	1980	1979
Freezers	95 $15,976	38 $6,338	43 $6,652	45 $7,061
Microwave Ovens	1,152 $203,998	1,082 $212,572	835 $160,091	850 $163,248
Refrigerator/ Freezer Combination (Under 6.5 Cu. Ft.)	415 $28,551	324 $25,790	426 $24,780	416 $31,242
Refrigerator/ Freezer Combination (6.5 to 9.5 Cu. Ft.)	56 $4,477	152 $8,173	102 $5,634	32 $3,183
Refrigerator/ Freezer Combination (9.5 to 13.5 Cu. Ft.)	102 $14,390	81 $10,962	96 $11,796	51 $6,672
Refrigerator/ Freezer Combination (13.5 Cu. Ft. & Over)	3 $572	4 $943	2 $1,140	3 $1,449
Total Refrigerator/Freezer Combination	570 $47,836	561 $45,868	626 $43,350	502 $42,546

HOUSEWARES

Product**	1982*	1981	1980	1979
Can Openers & Combinations	1,220 $8,141	1,089 $6,704	823 $4,539	503 $2,842
Coffee Makers	380 $7,285	382 $5,734	378 $6,711	488 $5,561
Food Blenders	228 $3,381	9 $141	38 $785	473 $7,892
Hair Dryers	4,099 $24,353	15,033 $88,142	15,785 $90,703	15,637 $91,207
Irons	3,944 $5,706	2,555 $25,141	1,533 $12,569	791 $8,655
Juice Extractors	313 $3,625	248 $3,183	181 $2,924	227 $3,401
Shavers, Electric	3,945 $57,247	3,503 $46,212	3,216 $53,023	3,668 $56,908
Toasters	227 $2,100	122 $826	185 $562	152 $1,537
Vacuum Cleaners	499 $15,316	452 $13,277	336 $7,762	329 $5,894

CALCULATORS

Product**	1982*	1981	1980	1979
Display Only	2,100 $19,355	2,085 $22,550	1,957 $24,914	1,094 $18,162
Hand-Held or Pocket Type	21,866 $121,869	22,333 $139,124	23,424 $166,876	17,463 $137,726
Other For X and ÷	751 $6,356	624 $7,462	507 $9,926	446 $6,198
All Other	5,186 $142,449	5,190 $155,208	5,035 $177,532	3,612 $139,799
Total	29,903 $290,029	30,232 $324,344	30,923 $379,248	22,615 $301,885

*Projection based on 10 months

**All figures in thousands, number of units imported. Dollars paid by importers excluding duty, etc.

Consumer electronics, housewares and major appliances all register gains in imports, despite recession

The number of products imported into the U.S. continued to increase last year, despite the effects of the recession. Hefty gains were posted in consumer electronics, housewares and major appliances as goods produced offshore took a bigger bite out of the total number of products sold in the U.S.

In consumer electronics, the number of videocassette recorders (VCR's) brought in from abroad rose to approximately 2.7 million, up from 2.0 million for 1981. This marks the second year in a row that the value of these imported goods was in excess of a billion dollars.

Home video cameras, riding on the coattails of the VCR's (particularly with portables becoming more popular) also showed an increase in shipments. The number of color cameras imported into the country rose to 422,000 units from 362,000 while the number of black and white cameras climbed to 91,000.

Although the total number of TV imports dropped from 7.3 million to 7.0 million, black and white models 10 in. and under and color sets of all sizes posted gains. It was a major drop in imports of large black and white sets that hurt the category overall.

Audio gains spotty

There were some winners and some losers in audio imports. Many tape products posted gains.

Among them were basic tape players, up to 3.8 million from 2.1 million; monophonic tape recorders; battery-powered open reel tape recorders, up to 194,000 from 62,000, and radio/tape player combos, up to 11.1 million from 10.3 million.

Automobile tape player imports climbed to 2.7 million from 2.6 million.

Also registering increases in audio imports were amplifiers, up to 5.8 million from 4.9 million; headphone/electric sound amplifier sets, up to 14.1 million from 8.3 million; AM/FM battery-operated transistor radios, up to 17.3 million from 14.5 million; radio/phono/tape player combos, up to 288,000 from 200,000; stereo phonos, up to 84,000 from 71,000; automatic turntables, up to 689,000 from 658,000, and CB transceivers, up to 1.5 million from 1.4 million.

Among the losers in audio were loudspeakers, microphones, automobile radios, transistor clock radios, AM transistor radios, AM/FM transistor radios, radio/phono combos, automatic record changers, non-automatic turntables, stereo tape recorders, battery-operated cassette/cartridge tape recorders and radio/tape recorder combos.

In housewares, every product but hair dryers posted gains in imports. Particularly hot were food blenders, up to 228,000 from 9,000 units in 1981. However, can openers and combinations, coffee makers, irons, juice extractors, electric shavers, toasters and vacuum cleaners all registered sizable increases.

Imports of major appliances were also on the rise. There, freezers, microwave ovens, refrigerator/freezer combinations under 6.5 cu. ft. and refrigerator/freezer combinations 9.5 to 13.5 cu. ft. showed increases. Only refrigerator/freezer combinations from 6.5 to 9.5 cu. ft. and refrigerator/freezer combinations 13.5 cu. ft. and over posted a loss.

WORLD MARKETING

61st ANNUAL STATISTICAL AND MARKETING REPORT

IMPORTS

AUDIO

Product**	1982*	1981	1980	1979
Antennas, CB	819 $3,311	1,057 $4,358	1,004 $4,005	1,650 $5,189
Antennas, Radio	9,743 $28,339	9,294 $30,577	8,349 $21,454	7,103 $13,387
Loudspeakers	69,803 $240,172	83,214 $264,358	74,705 $225,597	83,397 $219,725
Microphones	5,377 $22,395	5,602 $24.670	6,093 $21,432	9,467 $26,202
Audio Frequency Electric Amplifiers	5,766 $153,862	4,869 $148,477	4,427 $108,496	4,692 $114,097
Headphone/Electric Sound Amplifier Sets	14,113 $44,541	8,318 $47,625	6,089 $32,038	4,824 $33,130
Auto Transistor Radios	1,903 $106,250	2,027 $97,518	2,245 $80,337	2,624 $95,738
Clock Transistor Radios	8,272 $113,576	9,762 $108,711	9,445 $101,357	8,802 $89,834
AM Trans. Radios (Not Battery Operated)	636 $25,551	756 $26,517	609 $21,224	761 $39,490
AM Trans. Radios (Battery Operated)	4,835 $16,242	6,153 $20,169	5,570 $18,263	6,772 $24,107
FM AM/FM Multiband Transistor Radios (Not Battery Operated)	2,158 $174,415	2,348 $205,998	2,099 $176,416	2,494 $192,412
FM AM/FM Multiband Transistor Radios (Battery Operated)	17,338 $220,550	14,474 $188,038	12,150 $169,045	10,170 $145,676
Radios, Total	35,142 $656,584	35,520 $646,951	32,118 $566,642	31,623 $587,257
Radio/Phono Combos (Including Consoles)	38 $978	67 $2,182	102 $2,767	204 $5,535
Radio/Phono/Tape Player Combos (Tape Player Trimode)	288 $25,695	200 $11,051	316 $12,806	277 $9,788
Automatic Record Changer	1,307 $20,742	2,856 $51,975	3,631 $66,197	5,164 $91,436

AUDIO (continued)

Stereo Phonos	84 $8,152	71 $5,642	34 $3,697	65 $4,998
Automatic Turntables	689 $43.588	658 $43,812	342 $24,413	318 $23,933
Turntables Other	1,604 $74,019	1,802 $94,626	1,369 $83,057	1,514 $90,060
Transceivers/CB	1,498 $56,154	1,362 $52,576	856 $33,663	1,207 $51,821
Tape Players Auto	2,663 $65,668	2,575 $77,190	1,736 $43,949	2,321 $55,411
Tape Players Other	3,850 $129,021	2,058 $83,395	906 $31,056	1,079 $18,841
Tape Recorders, Stereo (Cassette/Cartridge)	2,479 $195,092	2,856 $248,199	2,198 $182,864	2,097 $179,938
Tape Recorders, Stereo (Open Reel)	73 $19,124	115 $22,405	86 $20,935	150 $17,584
Tape Recorders, Mono (Cassette/Cartridge)	1,032 $60,826	297 $17,645	397 $22,049	840 $32,421
Tape Recorders, Mono (Open Reel)	28 $10,597	27 $6,949	17 $5,759	55 $6,296
Tape Recorders, Battery (Cassette/Cartridge)	6,198 $152,124	7,906 $194,759	7,449 $178,309	5,850 $154,982
Tape Recorders, Battery (Open Reel)	194 $12,444	62 $16,765	129 $15,531	247 $22,957
Radio-Tape Recorder Combos	10,872 $555,516	11,212 $596,646	9,254 $419,632	6,873 $339,254
Radio-Tape Player Combos	11,137 $570,745	10,326 $561,105	9,055 $422,560	9,992 $477,604
Total Tape Recorders/Players	38,526 $1,771,157	37,434 $1,825,058	31,227 $1,342,644	29,504 $1,305,288

VIDEO

Product**	1982*	1981	1980	1979
Antennas, TV	13,983 $16,161	19,604 $21,259	17,918 $18,087	12,579 $12,939
B&W TV (10 inch & under)	822 $59,607	778 $59,806	647 $44,335	778 $54,848
B&W TV (11-17 inches)	3,936 $213,607	4,332 $239,250	4,420 $242,741	4,600 $245,577
B&W TV (18 inches & over)	127 $13,759	345 $34,786	476 $43,976	496 $42,220
Color TV (10-inch & under)	408 $73,742	398 $74,052	195 $36,691	145 $30,541
Color TV (11-17 inches)	1,013 $204,195	840 $174,006	606 $124,831	572 $138,501

*Projection based on 10 months

**All figures in thousands, number of units imported. Dollars paid by importers excluding duty, etc.

VIDEO (continued)

Product**	1982*	1981	1980	1979
Color TV (18 inches & over)	663 $91,412	619 $174,733	474 $134,073	551 $133,523
TV, Total	6,969 $656,322	7,312 $756,633	6,818 $626,647	7,242 $645,210
Videotape Recorders	2,675 $1,141,651	2,013 $1,018,770	939 $496,333	629 $346,416
Home Video Camera, B&W	91 $18,024	72 $15,468	51 $13,747	67 $14,640
Home Video Camera, Color	422 $240,655	362 $210,379	171 $102,381	96 $77,746
Picture Tubes, B&W	1,009 $16,226	697 $15,342	748 $10,535	657 $10,042
Picture Tubes, Color	1,184 $64,266	984 $52,933	590 $33,267	355 $22,020

Merchandising

PERSONAL ELECTRONICS

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Dealers count on '83 videogame releases to reverse even-to-down sales beginning

By Bill DeSiena, associate editor

VAN NUYS, CA—Videogame software sales in the first weeks of 1983 were about even with 1982 if not down a bit, according to retailers polled by *Merchandising*.

Dealers report that this came as no surprise. Since most of the year's new titles have yet to be shipped, few new hits have shown up on the charts (*see Top 10 in Videogame Software on this page*).

Those who sell videogames expect them to become generally less profitable this year. The price erosion that has affected the market recently will probably continue, they said.

It's not that prices for best sellers will fall below the roughly $25 range. A hit is a hit. But dealers indicated that price cutting among the slower-moving titles will force them to stock fewer games and concentrate on the winners.

Some retailers have analyzed the situation and decided to leave videogame retailing up to the competition. They have either moved into the computer area or swung back to selling the old familiar products they know best.

New titles awaited

Many of the titles announced at the beginning of the year have still not been released to consumers. "This is costing us dearly in sales," noted Joel Gilgoff, owner of the four-store G.A.M.E.S. chain in Van Nuys, CA.

While Atari has begun shipping its new titles—including Ms. Pac-Man, Phoenix and Fireworld, which Gilgoff said are starting to do well—his top sellers include such old standbys as Parker Brothers' Frogger and Atari's Pac-Man along with Coleco's Donkey Kong.

One reason the old games are doing so well is that Coleco's new titles are not yet on the store shelves, Gilgoff said. "Coleco hasn't come up with any new titles in over four months. As a result, a lot of my customers who own ColecoVision are buying the VCS adaptor so they can expand their software assortments." G.A.M.E.S. retails the Atari software adaptor from Coleco at around $70.

The Atari VCS has dropped to $89.95 retail, and if competition persists, Gilgoff is prepared to drop its price to $79.95. Although the store isn't selling many VCS units, Gilgoff said, local mass merchandisers apparently are.

"New hits are just around the corner," said Bob DiGiacomo, electronics buyer at the six-store Lechmere chain, Waltham, MA. Ms. Pac-Man is available as is Activision's River Raid and Imagic's DragonFire. Donkey Kong Junior rounds out the new titles DiGiacomo has pegged as hits.

"But the game business is not what it was a year ago," he said. "Consumers have so much software to choose from, it's not at all like last year at this time."

His current hits are Activision's Pitfall, Frogger and Pac-Man, in the $25 to $29 retail price range. Six months ago, best sellers were moving at higher prices, but price erosion has even reached the hottest games, DiGiacomo added.

Frisco Electronics, an eight-store chain based in San Antonio, has found software sales "way ahead" of the early 1982 period. "We have decreased the number of Atari titles we carry, because so many other name brands have produced hot sellers," commented Paul Brown, general manager.

He reported that pricing on best sellers has held steady, with most selling at $23 or $24. At least until the middle of February, Donkey Kong, Pac-Man and Pitfall were the top three titles.

Cartridge sales were reported about even with last year at Dahlkemper's, a six-unit catalog showroom chain headquartered in Erie, PA. Prices, noted buyer Al Jenkins, have remained about "average" with other area dealers.

Over the past year, Jenkins has moved from carrying mostly Atari to include other branded software. "I want to stay with themes that I know the customer will keep returning to, such as the arcade area." Pitfall, Donkey Kong and Pac-Man have sold best for Dahlkemper's since the year began.

Price erosion hit immediately after the holidays, according to Everett Purdy, senior vice president, merchandising, Service Merchandise, the catalog showroom chain. "But with some dealers getting out, I expect the category will stabilize," he noted.

Service did not meet its software sales figures of a year ago, and took some "pretty drastic" markdowns at the beginning of the year. However, Purdy explained, the chain "has not been quite as energetic as other retailers in the category, and does not have the same high inventory levels. We have been holding our own."

Change stock methods

Service plans to fine tune its method of stocking videogames. Orders will be placed on a title-for-title basis, as needed.

What have been the best sellers since Jan. 1? Donkey Kong, Frogger and Pitfall.

THE HOT TITLES of 1983 will revive videogame software sales to consumers, retailers say. Many titles still await release.

At Video Magic, Richardson, TX, owner Manuel Aizen got worried when Mattel began running a buy-two-get-one-free promotion for its M Network cartridges for the Atari VCS. Atari then followed with a giveaway, and Imagic has since offered its own premium. Now other vendors have taken up similar strategies to move product.

"Our sales are down from the same period in 1982. The games in general are just not moving as fast as they once were," stressed Aizen. The store has featured games for as low as $4.99. Often, they are sold at or below cost, just to move them out.

Plans for 1983 call for cutting the number of titles and the amount of stock for each game. "We will also take a closer look at the ad support planned for each title," Aizen indicated. "That may influence our decision more."

Aizen has been most pleased with the performance of Ms. Pac-Man, Pitfall and Imagic's Demon Attack. Sales of Atari's E.T. and Raiders of the Lost Ark have held steady right to the present, and hot titles can still sell

(*Continued on page 55*)

Merchandising's TOP 10 TEN

. . . in videogame software

1. **River Raid** *(Activision)*
2. **Pitfall** *(Activision)*
3. **Frogger** *(Parker Bros.)*
4. **Ms. Pac-Man** *(Atari)*
5. **Donkey Kong** *(Coleco)*
6. **E.T.** *(Atari)*
7. **Real Sports Football** *(Atari)*
8. **Lock 'N Chase** *(Mattel)*

9-10. **Phoenix** *(Atari)*
9-10. **Spiderfighter** *(Activision)*

THE NUMBER ONE videogame title this month is River Raid by Activision. Merchandising's Top 10 in Videogame Software premiers with this issue, and will appear each month.

we added an assortment of titles that fit these formats. The reaction from low-end hardware users really surprised us," Cherniak admitted.

Interaction with customers will help Cherniak to determine which titles are hot, which are not and *why.* "People have already come in and given us an unsolicited critique of a title," she said. "If they like it enough, they buy it."

Parallels video

Renting computer software at the Software Library is not unlike renting a prerecorded videocassette from one of the many nearby video stores. Cherniak has set up a club for customers with annual dues of $50 which entitle each member to a free game rental plus the right to rent from the store.

Rental fees for most software titles amount to about 25 percent of the manufacturer's list price. Should the customer decide to buy the program, the rental fee is applied to the purchase price. The purchase price runs about 10 percent below the suggested list.

The list, discount and rental prices all are featured on the software package. A club member can rent games for a one-week period and business software for two weeks.

Again paralleling video, the piracy issue will probably heat up as the computer category does the same. "With rentals, the issue will grow even bigger," Cherniak admitted.

She favors any moves that the industry could take to deter software piracy, starting with printing warnings about prosecution for such action on the packaging.

Even with the potential piracy problem looming, however, vendors have been enthusiastic about the Software Library's rental program. According to Cherniak, Visicorp, makers of the Visicalc electronic spreadsheet, said it was surprised that rental programs have been so slow in developing. The company said it thought such programs would have become popular more than a year ago.

Another reason software manufacturers don't resent the rental program is that it actually boosts business. "The rentals are evolving into sales in most cases," she reminded.

Cherniak said the main advantage of rentals for small, independent retail operations such as the Software Library is that it affords them the opportunity to establish a niche in an area where the larger hardlines dealers or high-volume mass merchandisers probably will not compete.

Even though one local department store, Bamberger's, has set up a computer department, Cherniak is confident that it will not get involved with software rentals. "It can't make money that way," she said.

Because hardware is still needed to draw first-time customers, the Software Library stocks four brands of what Cherniak refers to as second-generation product: the Franklin computer and monitor; the Kaypro II portable computer; the Eagle computer, and the Gemini printer. These companies, Cherniak said, have worked "the bugs" out of their products—something many larger suppliers have yet to do.

"We've sold a dozen pieces of hardware already," she noted. "Hardware to software sales still run 60 to 40 percent in the industry, so selling hardware will help us to expand our customer base."

Software and hardware are all merchandised in a selling space of about 12 by 16 ft. Although Cherniak would have liked a larger location, possibly in a mall, the present shopping strip location won out.

"With a bigger investment, we could have started off in a prime mall location with a lot of traffic and generated $250,000 in sales the first year. But it's easier and much cheaper to start with a kiosk-size store and work for $50,000 to $60,000 a year," Cherniak reasoned.

No matter what size the store, however, she said she will stick to her merchandising strategy of handling software like a supermarket: Have it on the shelf and get it in the basket and out the door in the shortest amount of time.

Software volume dips for some merchants

(*Continued from page 49*)

for as high as $34.99.

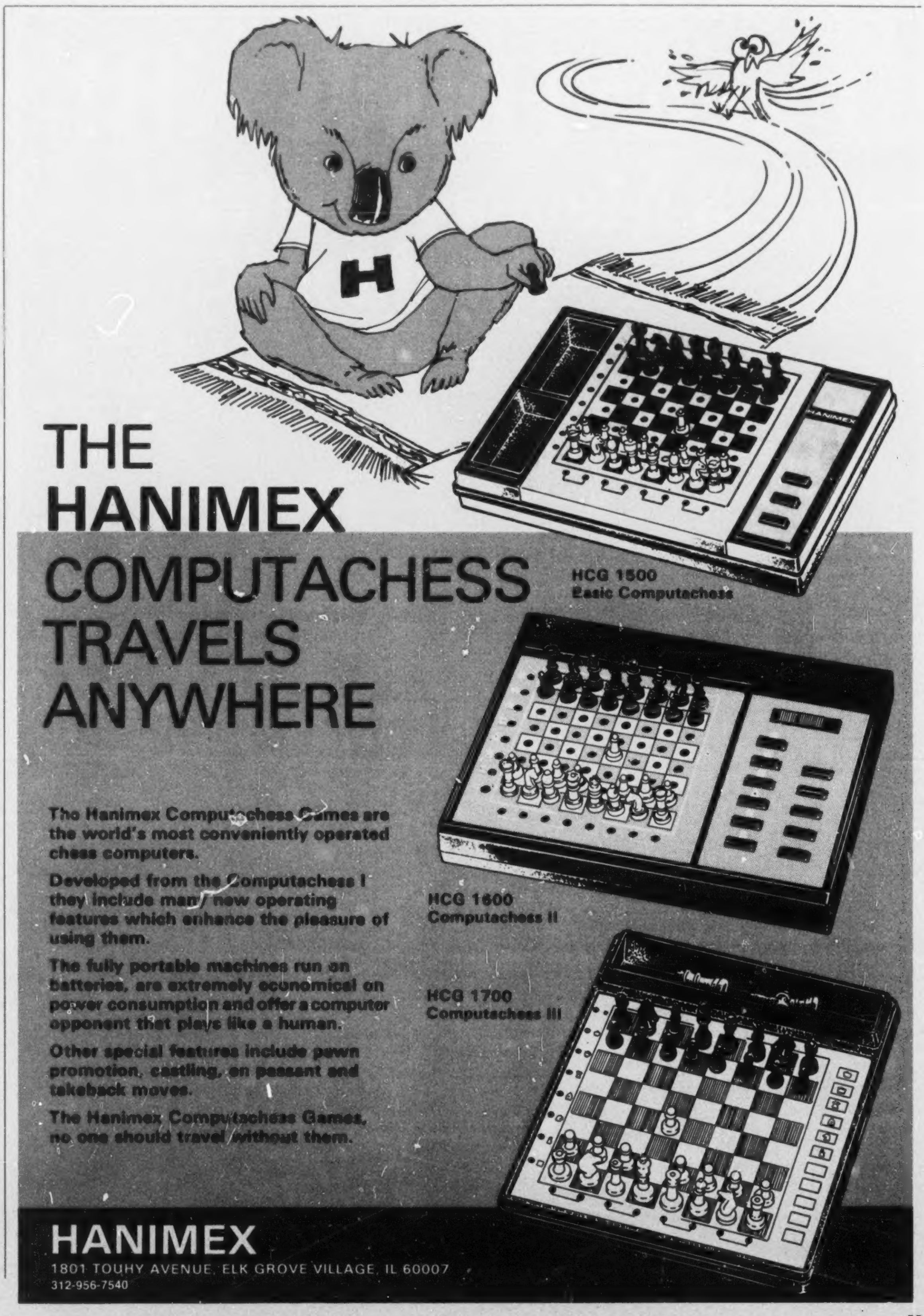
The northeastern electronics/appliance chain of Newmark & Lewis also noted a dip in software sales at the start of the year. "There has been a waning interest in videogames in 1983," noted owner Dick Lewis. Part of this drop, he said, is due to the attention consumers have been giving home computers.

Some dealers have chosen to drop videogames altogether.

An executive with one large electronics specialty chain said his stores had phased out the category because it was not expected to be profitable this year. The chain will, however, stay with selling personal computers.

Dow Audio/Video in San Diego is putting its videogame money back into stocking video equipment, said a spokesman for the company. The firm chose to abandon videogames because of intense price competition in its trading area.

"There is no price-cutting where the hot titles are concerned," G.A.M.E.S.' Gilgoff disagreed. "People come in and buy what they want to buy, whatever the cost. But if a cartridge is not worth buying, it's not around long."



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Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

	Last month's Position	Months on Chart
1. **Rocky III** *(CBS/Fox)*	1	3
2. **Poltergeist** *(MGM/UA)*	2	3
3. **The World According to Garp** *(Warner)*	13	2
4. **The Boat (Das Boot)** *(RCA/Columbia)*	11	2
5. **Best Little Whorehouse in Texas** *(MCA)*	4	3
6. **Firefox** *(Warner)*	6	3
7. **An Officer and a Gentleman** *(Paramount)*	—	1
8. **Annie** *(RCA/Columbia)*	3	3
9. **Night Shift** *(Warner)*	21	2
10. **Star Trek II: The Wrath of Khan** *(Paramount)*	5	4
11. **Fast Times at Ridgemont High** *(MCA)*	20	2
12. **Road Warrior** *(Warner)*	—	1
13. **Tron** *(Walt Disney)*	7	3
14. **Reds** *(Paramount)*	8	3
15. **Victor/Victoria** *(MGM/UA)*	14	4
16. **Friday the 13th III** *(Paramount)*	—	1
17. **Star Wars** *(CBS/Fox)* **P**	15	6
18. **Missing** *(CBS/Fox)*	9	3
19. **Young Doctors in Love** *(Vestron)*	—	1
20. **Diva** *(MGM)*	—	1
21. **Chariots of Fire** *(Warner)*	10	7
22. **The Thing** *(MCA)*	17	4
23. **Young Lady Chatterley** *(Select-A-Tape)*	—	1
24. **Playboy Video Vol. 1** *(CBS/Fox)*	27	4
25. **Conan the Barbarian** *(MCA)*	22	6
26. **The Soldier** *(Embassy)*	—	1
27. **Jane Fonda's Workout** *(Karl Video)* **I**	19	7
28. **Moonraker** *(CBS/Fox)*	—	1
29. **Zapped** *(Embassy)*	—	1
30. **Time Bandits** *(Paramount)*	—	2

Top 10 in videocassette sales

1. **An Officer and a Gentleman** *(Paramount)*	—	1
2. **Jane Fonda's Workout** *(Karl Video)* **I**	1	8
3. **Star Trek II: The Wrath of Khan** *(Paramount)*	2	6
4. **Annie** *(RCA/Columbia)*	4	3
5. **Rocky III** *(CBS/Fox)*	3	3
6. **Poltergeist** *(MGM/UA)*	5	2
7. **Playboy Video Vol. 1** *(CBS/Fox)*	8	3
8. **The Boat (Das Boot)** *(RCA/Columbia)*	—	1
9. **Strawberry Shortcake In Big Apple City** *(Family Home Entertainment)*	—	1
10. **Best Little Whorehouse in Texas** *(MCA)*	9	2

Top 5 in CED videodisc sales

1. **Rocky III** *(CBS/Fox)*	1	2
2. **Star Trek II: The Wrath of Khan** *(Paramount)*	2	3
3. **Star Wars** *(CBS/Fox)* **P**	5	6
4. **Poltergeist** *(MGM/UA)*	—	1
5. **Superman II** *(Warner)*	—	1

Top 5 in laserdisc sales

1. **Star Trek II: The Wrath of Khan** *(Paramount)*	1	3
2. **Star Wars** *(CBS/Fox)* **P**	—	5
3. **Goldfinger** *(CBS/Fox)*	—	1
4. **Tron** *(Walt Disney)*	2	2
5. **Playboy Video Vol. 1** *(CBS/Fox)*	5	2

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I —Golden Videocassette award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

CBS/FOX

GRAND ILLUSION (1938) Jean Renoir's classic prison escape movie stars Erich von Stroheim as the German commandant and Jean Gabin and Pierre Fresnay as two French fliers shot down during World War I. Subtitles *NR 111 minutes C: $39.98.*

THE LAST UNICORN Animated tale about the last unicorn who has never shared the love of one of her own kind. To learn the secret of the other unicorns' disappearance, she must travel to Hagsgate, which is guarded by the evil Red Bull. *Color G 95 minutes C: $49.98.*

THE MAN WITH THE GOLDEN GUN Roger Moore stars as Agent 007 in his pursuit of deadly villain Scaramanga who is trying to harness the sun's energy. Britt Ekland and Maude Adams are pursued by 007 as well. *Color PG 125 minutes C: $69.98.*

MARTY The original Paddy Chayefsky classic stars Ernest Borgnine and Betsy Blair as two plain and lonely souls who finally find each other. This film won four Academy Awards. *NR 91 minutes C: $49.98.*

MONSIGNOR (1982) Father John Flatherty (Christopher Reeve) is an ambitious American priest who becomes embroiled in Vatican politics and a love affair with a young postulant nun played by Genevieve Bujold.

DISNEY

TEX (1982) Heartthrob Matt Dillon and Kenneth Turan star as two brothers in an emotional tug-of-war after their roaming father abandons the family. *Color PG C: $69.95 CED: $24.95 LV: $34.95.*

EMBASSY

AMITYVILLE II (1983) Strange doings in suburbia. *Color R 110 minutes VC BC CED LV.*

COME BACK TO THE FIVE AND DIME JIMMY DEAN, JIMMY DEAN (1982) Recreation of the Broadway play of the same name, this Robert Altman-directed film depicts the workers and customers of a small town "five and dime" celebrating the 20th anniversary of the death of the Rebel Without a Cause. Starring Sandy Dennis, Cher, Karen Black and Sudie Bond. *Color 109 minutes C LV.*

JAZZAMERICA (1981) Not an exercise tape, this historical tribute chronicles Dizzy Gillespie and his dream band in two concerts at New York City's Lincoln Center. Joining the Diz are more than 20 noted jazz musicians, including Max Roache, Gerry Huligan and Pepper Adams. *Color 90 minutes Stereo C.*

MCA

AN EVENING WITH UTOPIA (1983) This rock concert featuring Todd Rundgren continues the band's long history of being in the forefront of video music. The single Feet Don't Fail Me Now is featured along with 20 other songs. *Color 85 minutes Stereo in VHS C: $39.95.*

THE DAY OF THE JACKAL (1973) This adaptation of the Frederick Forsyth novel has Edward Fox as the British assassin out to kill French president General Charles DeGaulle. *Color PG 142 minutes C: $59.95.*

HALLOWEEN III: THE SEASON OF THE WITCH (1982) The Halloween trilogy continues as a mad plot to terrify 50 million children is uncovered by Tom Atkins and Stacey Nelkin. *Color R 98 minutes C: $79.95.*

MGM/UA

DEAR DIARY; AM I NORMAL? These two videocassettes, available separately, answer pre- and young teenagers' most asked questions about growing up and the changes of puberty. Through the eyes of Janie (in Diary) and Jimmy (in Normal), youngsters are given the information they need to handle those delicate subjects. Both come highly recommended from PTA's, church and youth groups. *Color C: $39.95 each*

THE LAST AMERICAN VIRGIN (1982) This recent theatrical release takes a sharp and humorous look at the lives of today's teenagers. Featured in this romantic comedy are songs by The Police, Blondie, The Waitresses, Quincy Jones and others. *Color R 92 minutes Stereo C: $79.95.*

MIDNIGHT COWBOY (1969) Dustin Hoffman and Jon Voight star in this triple Academy Award winner about the American dream gone wrong in the big city. *Color R 113 minutes C: $69.95.*

WHO'S AFRAID OF THE OPERA? Adults as well as children can learn to appreciate and enjoy opera when it's introduced to them by Joan Sutherland. Each of this set's three packages contains two programs during which Sutherland doubles as narrator and performer. Operas presented include Faust, Rigolette, La Traviata, Daughter of the Regiment, Barber of Seville and Lucia di Lammermoor. *Stereo C: $39.95 D: $29.95.*

VESTRON

WHAT'S UP TIGER LILLY? (1966) Early Woody Allen spoof of spy movies, musicals and karate films played against a search for a top secret recipe. *Available in all formats.*

C4200-1 4/25/83

A GRALLA PUBLICATION
APRIL 1983

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

Third Annual Review of Audio & Video SOFTWARE

Brings the topsy-turvy tape and disc market into focus

What's going on in Cincinnati (where Bell still controls the phones)?

European vendors provide [illegible] into the future of major appliances

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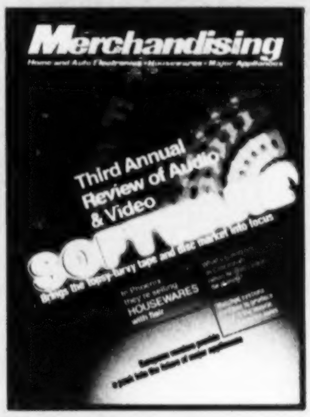

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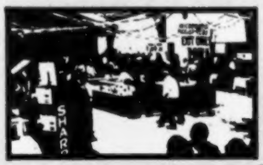

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NEW RELEASES

CBS/FOX

EVERYTHING YOU ALWAYS WANTED TO KNOW ABOUT SEX* BUT WERE AFRAID TO ASK Early Woody Allen answering the most frequently asked questions about sex. Beware the giant breast. *Color R 88 minutes C: $59.98.*

GOODBYE, FAREWELL AND AMEN (1983) This final episode of the M*A*S*H TV series was broadcast Feb. 28 to the largest single audience in television history. Culminating 11 award-winning years on TV, the episode chronicles the end of the Korean Conflict, the breakup of the Mobile Army Surgical Hospital (M*A*S*H) and the emotional farewells among friends. *Color C: 121 minutes $79.98 CED: 119 minutes $29.98 LV: 119 minutes $34.98.*

INHERIT THE WIND Spencer Tracy and Frederic March lock horns as lawyers on opposite sides of the fence in this portrayal of the famed "Scopes Monkey Trial" of 1925. Gene Kelly also stars as the newspaper reporter whose coverage of the trial focuses the nation's attention on its result. *127 minutes C: $49.98.*

PLAYBOY VIDEO VOL. 2 (1983) The second in what might well be a very long series. Included is an interview with actor Dudley Moore, a Playmate tug-o-war (over a mud pit, of course), a Ribald Classic and a Playmate photo session. *Color 81 minutes C: $59.98 Disc: $29.98.*

STEVIE NICKS IN CONCERT Performing in concert from her White Wing Dove tour is Stevie Nicks, otherwise known as one of the lead singers from Fleetwood Mac. *Color 60 minutes Stereo VHS C: $39.98.*

EMBASSY

ENIGMA (1963) Martin Sheen plays an American spy who travels behind the Iron Curtain to uncover a plot in which the Soviet Union is trying to eliminate five dissidents living in the West. *Color PG 101 minutes C: $59.95.*

THE PRODUCERS (1967) An early Mel Brooks effort starring Zero Mostel and Gene Wilder as a scheming pair who try to make a fortune by deliberately producing a Broadway flop. *Color 88 minutes C: $59.95.*

MCA

THE SECRET WAR OF HARRY FRIGG (1968) Paul Newman plays private Harry Frigg whose top secret assignment is to rescue five Allied generals kept prisoner in an Italian villa. Things turn sour, however, when Italy surrenders and a Nazi general takes over responsibility for the prisoners. *Color R 123 minutes C: $49.95.*

WINNING (1969) Paul Newman doing what he does best as an Indy 500 race car driver who believes that winning is more important than anything, including his wife, who is played by Joanne Woodward. *Color PG 123 minutes C: $49.95.*

MGM/UA

BEN HUR (1959) The original miracle man, Charlton Heston stars in this winner of 11 Academy Awards, including best picture. A double disc. *Color NR 211 minutes Disc: $39.95.*

RCA/COLUMBIA

FLEETWOOD MAC IN CONCERT —MIRAGE TOUR (1982) Following the pop rock group's platinum album Mirage, this concert tour features songs such as Rhiannon, Go Your Own Way and Songbird. *Color Stereo.*

FUNNYGIRL (1968) Barbra Streisand, the person who needs people, won an Academy Award as best actress in this story of the early career of Fanny Brice. The Ziegfeld Follies girl meets and falls in love with Nick Arnstein played by Omar Sharif. *Color G Stereo.*

THORN EMI

THE ATOMIC CAFE (1982) Grimly humorous compilation of past World War II school and army training films, depicting how to live with the atomic threat. When it was still naive, America's nuclear neurosis brought forth such characters as Burt the Turtle who instructed school children to "duck and cover" if they saw a nuclear flash. *B/W 92 minutes C: $59.95.*

FIRST BLOOD (1982) Sly Stallone plays a Green Beret done wrong. First he gets a gun; then he gets a bigger gun; then he gets a tank. The film should gross $100 million in theaters worldwide. *Color 96 minutes C: $79.95.*

VID.YESTERYEAR

GHIDRAH, THE THREE-HEADED MONSTER (1965) Or, what the Japanese did before they built cars. Ghidrah is about to destroy the Earth. Dubbed. *Color 86 minutes VC: $52.95 BC: $49.95.*

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

	Last month's position	Months on chart
1. **An Officer and a Gentleman** *(Paramount)*	7	2
2. **Blade Runner** *(Embassy)*	—	1
3. **Road Warrior** *(Warner)*	12	2
4. **Poltergeist** *(MGM/UA)*	2	4
5. **Rocky III** *(CBS/Fox)* **GI**	1	4
6. **The Boat (Das Boot)** *(RCA/Columbia)*	4	3
7. **Annie** *(RCA/Columbia)*	8	4
8. **Victor/Victoria** *(MGM/UA)*	15	5
9. **The World According to Garp** *(Warner)*	3	3
10. **Best Little Whorehouse in Texas** *(MCA)*	5	4
11. **Fast Times at Ridgemont High** *(MCA)*	11	3
12. **Monsignor** *(CBS/Fox)*	—	1
13. **Firefox** *(Warner)*	6	4
14. **Young Doctors in Love** *(Vestron)*	19	2
15. **Night Shift** *(Warner)*	9	3
16. **Star Trek II: The Wrath of Khan** *(Paramount)* **I**	10	5
17. **Tron** *(Walt Disney)*	13	4
18. **Missing** *(CBS/Fox)*	18	4
19. **Friday the 13th, Part III** *(Paramount)*	16	2
20. **Vice Squad** *(Embassy)*	—	1
21. **Chariots of Fire** *(Warner)*	21	8
22. **The Thing** *(MCA)*	22	5
23. **Diva** *(MGM/UA)*	20	2
24. **Star Wars** *(CBS/Fox)* **P**	17	7
25. **The Soldier** *(Embassy)*	26	2
26. **Diner** *(MGM/UA)*	—	3
27. **Moonraker** *(CBS/Fox)*	28	2
28. **Homework** *(MCA)*	—	1
29. **Jane Fonda's Workout** *(Karl Video)* **I**	27	8
30. **Arthur** *(Warner)*	—	7

Top 10 in videocassette sales

1. **An Officer and a Gentleman** *(Paramount)*	1	9
2. **Jane Fonda's Workout** *(Karl Video)* **I**	2	9
3. **Blade Runner** *(Embassy)*	—	1
4. **Star Trek II: The Wrath of Khan** *(Paramount)* **I**	3	7
5. **Playboy Video Vol. 1** *(CBS/Fox)* **G**	7	4
6. **Road Warrior** *(Warner)*	—	1
7. **Rocky III** *(CBS/Fox)* **GI**	5	4
8. **Jazzercise** *(MCA)*	—	1
9. **Annie** *(RCA/Columbia)*	4	4
10. **Monsignor** *(CBS/Fox)*	—	1

Top 5 in CED videodisc sales

1. **An Officer and a Gentleman** *(Paramount)*	—	1
2. **Poltergeist** *(MGM/UA)*	4	2
3. **Superman II** *(Warner)*	5	2
4. **Arthur** *(Warner)*	—	1
5. **Annie** *(RCA/Columbia)*	—	1

Top 5 in laserdisc sales

1. **An Officer and a Gentleman** *(Paramount)*	—	1
2. **Blade Runner** *(Embassy)*	—	1
3. **Tron** *(Walt Disney)*	4	3
4. **Star Wars** *(CBS/Fox)* **P**	2	6
5. **Amityville II** *(Embassy)*	—	1

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I —Golden Videocassette award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

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Starting slow in computers and games pays off for store

By Debbie Rosenblum, field editor

MILWAUKEE—General Electronics has eased into the videogame and personal computer business. And it's glad it did.

While the two categories account for only about two percent of the store's $3-million annual volume, general manager David Wallace has high hopes for the future.

At the same time, the strategy of entering the market slowly and with caution has already paid off. The store has been able to de-emphasize videogames while playing up the more-profitable computer category in recent months.

While General Electronics is showing no profit on computer hardware and 15 to 20 percent margins on software, it intends to change that this year.

"Our design is to make computers a more profitable and larger percentage of our business. I'd like to see them become 15 to 20 percent," Wallace told *Merchandising*. Bringing in limited distribution lines, hiring a computer specialist and increasing advertising are among the tactics he plans to use to achieve his goal.

Since owner Steve Claus opened the 2,000-sq.-ft. shop in 1970, General Electronics has registered consistent sales gains. "We've doubled our business every year for the past four years," Wallace reported. "And so far this year, we're running 80 percent ahead of 1982."

15 TO 20 PERCENT of our business is what we hope computers will eventually be, says David Wallace, general manager, General Electronics.

Strength lies in video

The store's strength lies in televisions and videocassette recorders, which comprise 80 percent of gross sales. General Electronics also carries video cameras and accessories, videotape, videodisc hardware and software and portable audio—boomboxes and personal portable products.

With such an obviously successful operation, why did Claus decide to expand into games and computers in such a cautious manner?

"For us, it was smartest not to try making them a major part of our business," Wallace explained. "It didn't make sense to rob video and TV to pay for games and computers. We want to keep increasing our video and TV business just the way it has been."

He continued, "Our whole attitude has been conservative. Start small and be in a position where, if you have to, you can move quickly. Like a boxer. Be very light on your feet. Then if you see something happening, you're not so weighted down that you're forced to plod along."

In late '80, Claus brought in the Atari VCS and related game cartridges. "Steve had the foresight to see that games were going to be big and it was better to get into the business at the beginning than to wait," Wallace said. At this time, "we were making 25 to 30 percent on software and a little less than 15 percent on hardware."

But as the market quickly became flooded, price wars and selling near cost became the rule of thumb. General Electronics, however, was in the right spot to adjust "without causing any damage to the business."

"The whole market is in such an upheaval," Wallace observed, "you can't make money on games. So we have started playing them down."

PLAYING DOWN GAMES in favor of the more-profitable computer category has been General Electronics' strategy in recent months. To make the area grow, limited distribution lines will be stocked and a computer specialist hired.

"Most people who wanted the Atari VCS got it for Christmas. That's when we got rid of all our stock," he pointed out. "After Christmas, we lay back and watched other retailers blow it out the door at $99. They can have the business for that price."

Nevertheless, General Electronics has remained in the cartridge business as a courtesy to customers. Currently, the dealer has almost 40 titles on hand.

"We don't spend any time or energy on games. They've really become a nonpriority," Wallace said. "Basically, we now treat them like we do batteries."

Except that General Electronics also plans to trim the software selection. "We're going to have fewer titles. Go with the hot ones. Buy them light. Advertise them. Turn them quick. And as soon as we see a title die, get out of it," Wallace explained. "We don't plan to make money on the hot hits with all the discounting going on now. We're going to write them off as a break-even prospect."

Turns to computers

Unlike videogames, personal computers have a much brighter future as far as General Electronics is concerned. The company entered the business last November with a major promotion at Milwaukee's State Fair Park. (*See related story on this page.*)

Again, using caution, it started off with a small mix—the Timex Sinclair, Atari 400, Atari 800 and Commodore VIC 20 and related software. Since then, the Texas Instruments 99/4A and Commodore 64 have been added.

"We selected these models basically because they sell themselves. We can still get away with not being computer experts," Wallace noted. "Consumers in general really buy these low-end models for their entertainment functions. They use the computers' educational capabilities as a justifier for making the purchase."

Thus, the software selection is geared in that direction. Approximately 80 percent of the stock is entertainment. Twenty percent is education and less than one percent is business.

General Electronics realizes, however, that to make computers a larger share of its total business and to be successful, some changes will be necessary. "We'd like to have a couple of models on which we can make some money," Wallace noted. "We feel we can do that with limited distribution lines."

If everything goes according to schedule, General Electronics will be selling Toshiba and Sanyo computers before the end of the year. "According to Toshiba, we should be able to get 30 percent margins. The firm's reps say we can sell them at list," he said.

"Realistically, I'd be very happy if we could make 18 percent. On the software, we're aiming for 25 percent margins."

Of course, "to sell these computers right, we're going to have to get a specialist," Wallace maintained. "We need to hire someone because we just don't have enough people.

"It's imperative that we have someone whose sole responsibility is computers and who can sell customers on the various benefits. Otherwise, it just won't work," Wallace added.

In addition, the merchant "plans to get a lot more aggressive with advertising and promotion." He said, "We'll increase our budget in conjunction with sales. Hopefully, it will be up to 15 percent by '83's end."

Merchandising's TOP 10 TEN

. . . in videogame software

	Last month's position	Months on chart
1. **Pitfall** *(Activision)*	2	2
2. **Ms. Pac-Man** *(Atari)*	4	2
3. **River Raid** *(Activision)*	1	2
4. **Donkey Kong** *(Coleco)*	5	2
5. **Frogger** *(Parker Bros.)*	3	2
6. **Vanguard** *(Atari)*	—	1
7. **Pac-Man** *(Atari)*	—	1
8. **Centipede** *(Atari)*	—	1
9. **Phoenix** *(Atari)*	9-10	2
10. **Mousetrap** *(Coleco)*	—	1

Event draws 3,000; sets up store in computers

MILWAUKEE—To gain maximum exposure for its entrance into the computer business in a minimal amount of time, General Electronics staged a major promotion in mid-November at the city's State Fair Park. The Manufacturers' Electronics Holiday Sale drew close to 3,000 people, and made many more aware that the store now markets computers.

With the help of company representatives from Atari, Timex and Commodore, the Midwest merchant sold a total of 115 computers during the three-day event.

Sharing the spotlight at the exposition were two other retailers—a high-end computer store and an audio store. "We were the primary dealer, though," Wallace remarked. "But with three of us, there was more excitement."

To help General Electronics move merchandise, 25 vendors—three of whom were in computers—came to the event. "We really didn't sell anything," Wallace said. "The reps sold, and they did a very good job. In those three days, we sold 50 Timex Sinclairs, something like 50 VIC 20's, about 10 Atari 800's and 15 Atari 400's."

He continued, "And what we didn't sell, the vendors took back with them. We couldn't afford to run the risk of buying 200 computers and possibly not selling them. We would have been up to our eyeballs in computers."

Publicizing the promotion was a major advertising campaign using newspaper, television and radio. "We didn't start advertising until Thursday night," Wallace reported. Ads ran Thursday through Saturday.

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A GRALLA PUBLICATION

MAY 1983

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

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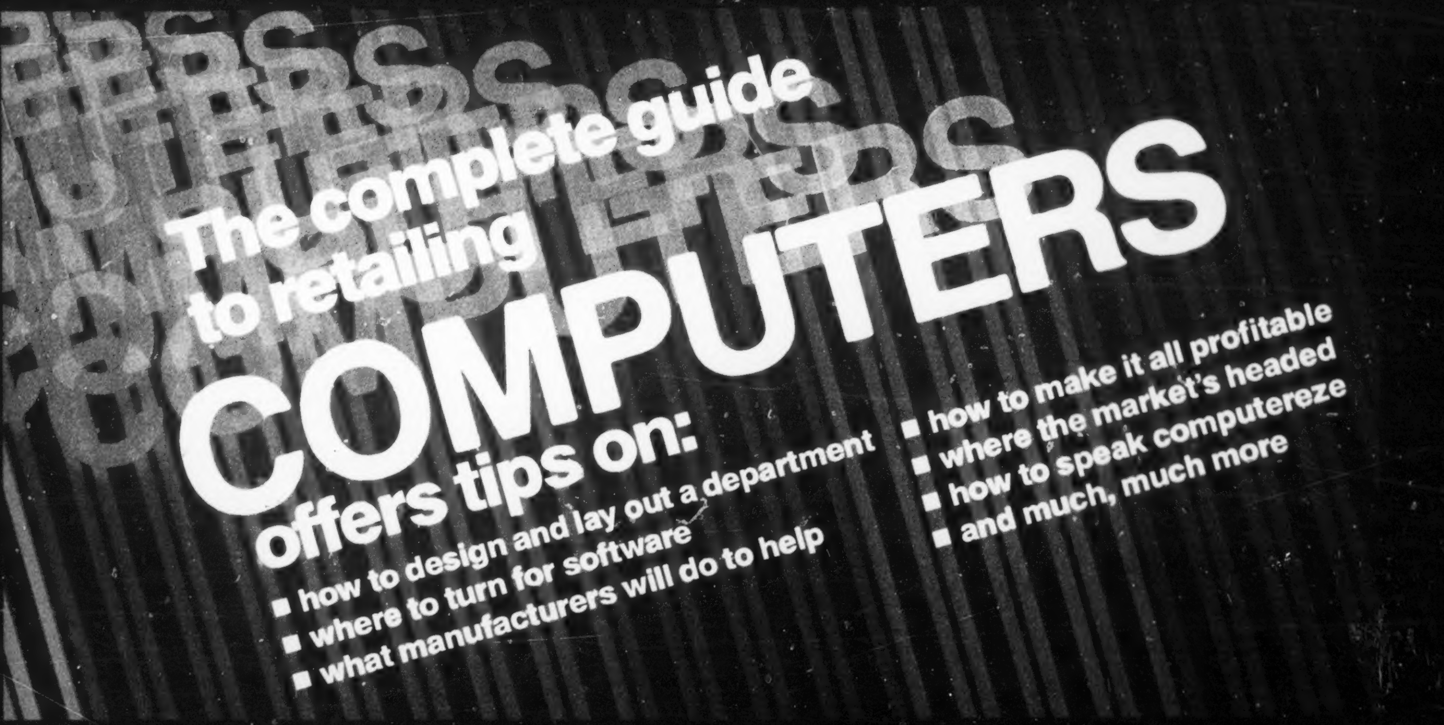
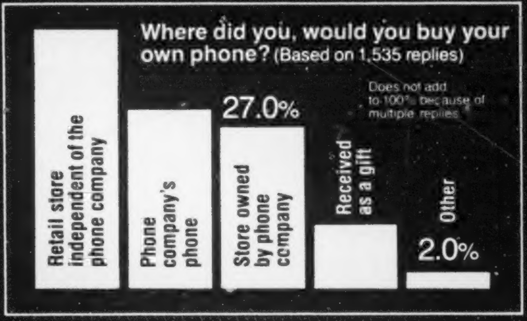


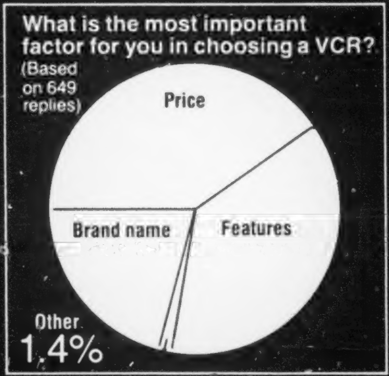
The complete guide to retailing COMPUTERS

offers tips on:

- how to design and lay out a department
- where to turn for software
- what manufacturers will do to help
- how to make it all profitable
- where the market's headed
- how to speak computereze
- and much, much more



Where did you, would you buy your own phone? (Based on 1,535 replies)

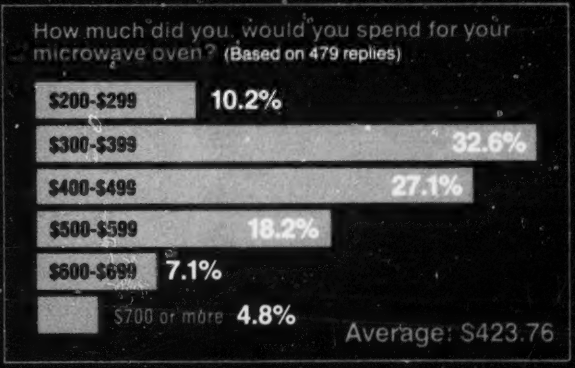


What is the most important factor for you in choosing a VCR? (Based on 649 replies)

Where did you, would you buy most of your software programs for your computer? (Based on 1,214 replies)

Does not add to 100% because of multiple replies.

Store where computer is purchased	66.8%
Software specialty store	22.6%
Other store that handles both computers and software	13.5%
Through the mail	4.6%



How much did you, would you spend for your microwave oven? (Based on 479 replies)

Expected change (%) in portable air purifier ownership in 1983 vs. 1982 (Based on 961 replies)

	Own in 1982	Will buy in 1983	Will own in 1983	Percent change
Portable air purifiers	161	80	241	+49.7%

11th Annual Consumer Survey

1,942 shoppers reveal their purchasing plans for 1983

A GRALLA PUBLICATION
Executive Office: 1515 Broadway, New York, NY 10036 212/869-1300

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Merchandising

FOR OVER 55,700 RETAILERS & WHOLESALERS

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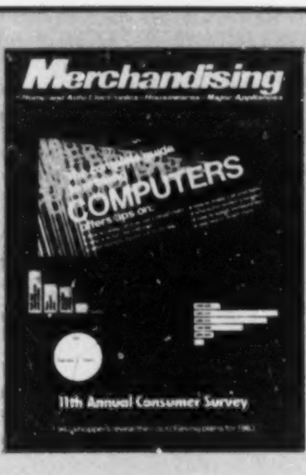

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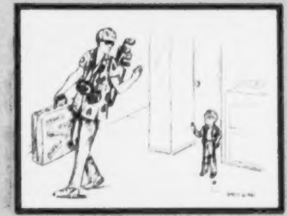

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Eleventh Annual Consumer Survey

1,942 shoppers talk about what they plan to buy in the year ahead

If the 1,942 consumers interviewed by *Merchandising* for the Eleventh Annual Consumer Survey can be used as a gauge, 1983 is going to go down as a year of solid growth in the consumer electronics, major appliance and housewares industries.

People are planning to buy—and buy big. Everything from home computers to clock radios to laundry equipment to bathroom scales can be found on the average consumer's shopping list this year.

What can retailers expect to be selling in the months ahead? Among the highlights:

TV's: The desire for the best in video reproduction, perhaps when their TV is hooked up to a computer, or VCR, is spurring 33.3 percent of the consumers to buy a new television set this year. The overwhelming majority of the purchases, 87.8 percent, will be color sets.

VCR's: Ownership is rising. Almost 18 percent of the shoppers reported that they now own a unit. Another 10.6 percent plan to buy one this year, an increase of 59.1 percent. And these buyers are better educated about the product. While 42 percent still say price is the most important factor in selecting a unit, almost 40 percent said that they look first at a VCR's features before closing the sale.

Videodiscs: The ownership base is growing, but slowly. Out of 974 shoppers, only 50 will own a videodisc player by the end of this year. In most cases, they said, they were simply not interested in owning the product. Price and nonfamiliarity with the units was also cited.

Projection TV: Only 5.3 percent of the shoppers indicated that they plan to buy a projection TV this year. An additional 4.4 percent already own one. For many nonowners, 31.2 percent, the product is still too expensive.

Prerecorded Videocassettes: Those owning prerecorded videotapes own an average of 12.1. Fewer shoppers plan to buy prerecorded material this year, but those that will expect to buy more. This could be a result of the lower prices now being offered on "hot" titles. Similarly, more shoppers say they will rent videotapes this year, but they will rent fewer units. Recent movies, made in 1981 or later, will make up the bulk of the titles they choose, 43.1 percent.

Blank Videotape: Fewer consumers will buy blank videotapes this year, but those who do will purchase more of them. No doubt some of the increased numbers per shopper is due to the growing number of video cameras now owned.

Blank Audiotape: Close to 20 percent of the owners of cassette recorders said they do not plan to buy any blank tapes this year, compared with only 5.9 percent who said they did not buy any in 1982. For over half of those shoppers who will buy, however, quality, not price, is most important when selecting a blank tape.

High Fidelity: Most of the shoppers, 84.6 percent, do not plan to buy a hifi system in 1983 simply because they are content with the stereo they already have. Most of the units owned are component systems—62.8 percent. Console owners make up only 22 percent of the group. Another 21.7 percent have compact systems.

Car Stereo: Some 61.4 percent of the consumers said they own a car stereo system. An additional 12.7 percent will purchase a unit this year, a 20.6 percent gain. But although aftermarket sales continue to grow, the bulk of the car stereo owners said they have/would buy the sound system at the same time they purchase the car.

Personal Portable Stereo: Over a third, 38.1 percent, of the shoppers have a personal portable stereo in their household. An additional 11.1 percent plan to purchase one sometime this year. These buyers will find more fully featured units on the marketplace—with auto-reverse, Dolby noise reduction, dbx and more sophisticated motors.

Videogames: Videogame ownership is expected to jump 25.2 percent this year, among the shoppers that we polled. Still, there are a lot of consumers out there who are just not interested—69.2 percent.

Personal Computers: Among the shoppers, personal computer ownership will rise an incredible 129.7 percent this year. And although the base nationwide is still small, this means that about 25 percent of the 1,942 consumers will own a computer by the end of 1983. Computer stores and electronics specialty stores are where about half of these units are being purchased.

Telephones: Almost two thirds of the consumers polled still do not own their own phone, leaving the field wide open for dealers to tap in on this unexploited market. Most of those who have bought did so primarily to save money—68.1 percent. But more education is needed. Most customers don't really know the difference among rotary, pulse and Touch-Tone dialing features.

Major Appliances: With the appliances purchased in the 1960s and 1970s being ready for replacement and the lower interest rates available today, about one third of the shoppers said they expect to buy a major appliance this year. Almost half of them plan to visit a Sears, Penney's type store for the purchase.

Room Air Conditioners: About half of the consumers polled said they are familiar with the term E.E.R. (energy-efficiency ratio). And over three-fourths of the respondents said that E.E.R would be a consideration in their next room air conditioner purchase. Evidently, manufacturers' educational messages are getting across.

Microwave Ovens: Higher than the national average, close to 40 percent of the shoppers polled own a microwave oven. Another 16.1 percent plan to purchase one in 1983, a gain of 41.9 percent. But ovens are still used for just an average 44.7 percent of the meals that consumers prepare.

Cookware: Stainless steel and stoneware fabrications should make up over 40 percent of the cookware that will be purchased this year, said shoppers. About 62 percent noted they would buy the cookware open stock; 40.3 percent plan to purchase a set. Some will buy both.

Food Processors: The market isn't saturated yet, at least not with this group of consumers. The food processor is now in use in close to 40 percent of their kitchens. Another 9.9 percent said they plan to purchase one sometime this year.

Air Purifiers: Over 90 percent of the consumers polled said they have no plans to buy an air purifier. Why not? More than half, 54.7 percent, said they are just not interested in the product.

Kerosene Heaters: Ownership of kerosene heaters should jump 41.3 percent among our shoppers this year. Still, many said they have no need for such a unit. Slightly more than 20 percent believe they are unsafe.

Grills: Price is evidently of prime concern to customers purchasing a grill because about 21.1 percent of the consumers did/would buy at a discounter. An additional 20.7 percent cited the popularly priced Sears, Penney's type store. Charcoal models are still most popular units, mentioned by 58.4 percent of the consumers.

For more details on these and other products, keep reading. The following 21 pages will help you prepare for the shopping spree that the consumers tell us they are ready to begin.

—Lee Rath
editor
—Nancy Markov
managing editor
—Bill DeSiena
associate editor

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Contents:

STATISTICAL MATTER for this survey was collected and compiled by **Selma Book**, market research manager, and **Matea Esguerra**, **Pat Jagbandhansingh**, **Renee Weil** and **Stuart Fuhrman**, research associates.

DESIGN: THUMBNAIL GROUP

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11 Eleventh Annual Consumer Survey

1,942 shoppers polled for Merchandising's 1983 consumer survey

More than 20 pollsters, fanning out from coast to coast, interviewed a grand total of 1,942 shoppers for this year's consumer survey. Interviews were conducted in shopping centers, malls, city streets—anywhere consumers could be found with buying on their minds.

As a result, we hasten to point out, this sample is *not* projectable to the population at large. Those people interviewed for this consumer survey were in a shopping district. Chances are, they had money to spend and were out selecting merchandise and making purchases. Hence, the results would tend to skew higher than what might be a national average.

Nevertheless, in the recession-plagued months of January and February 1983, when the survey was taken, our pollsters found 10.2 percent of the sample was unemployed. These people probably were not as inclined to be considering making major, non-essential purchases in the months ahead.

Two mini-questionnaires were used in taking this year's poll. Half the respondents were queried about consumer electronics products, half about major appliances and housewares. Due to the importance of two emerging categories—computers and telephones—all 1,942 shoppers were asked questions about these products.

Average respondent profiled

We found the average respondent this year would be something on the order of a woman between the age of 30 and 39. She lives in a suburb of a major city in the Northeast with her husband. They might have a child, but the family definitely would be smaller than that typical in years gone by. Total household income is probably around $30,000, and the woman is likely to work outside the home.

While this might paint a portrait of the average consumer, the response was incredibly broad. People were interviewed from East Coast to West Coast, from the Canadian to the Mexican borders. Households included from one person to six or more. People lived in cities, suburbs, towns or villages and rural areas. Incomes ranged from under $10,000 to well over $50,000.

In short, we reached almost every kind of shopper known to retailers in compiling this survey, *Merchandising's* picture of the American Consumer circa 1983. ●

Characteristics of the Sample

Replies: By number of persons in household

	Number of replies	Percent of replies
One	363	18.7%
2-3	934	48.1%
4-5	574	29.5%
6 or more	71	3.7%

Replies: By number of children* in household

	Number of replies	Percent of replies
No children	1,122	57.8%
1 child	395	20.3%
2-3 children	402	20.7%
4 or more	23	1.2%

*Under 16 years of age

Replies: By employment status

	Number of replies	Percent of replies
Employed	1,319	67.9%
Homemaker	273	14.0%
Student	122	6.3%
Military	11	0.6%
Retired	19	1.0%
Unemployed	198	10.2%

Replies: By age

	Number of replies	Percent of replies
Under 21	100	5.1%
21-29	530	27.3%
30-39	553	28.5%
40-49	397	20.4%
50-64	273	14.1%
65 and over	89	4.6%

Replies: By location of residence:

	Number of replies	Percent of replies
City	731	37.6%
City suburb	799	41.2%
Town or village	318	16.4%
Other rural	94	4.8%

Replies: By marital status

	Number of replies	Percent of replies
Married	1,129	58.1%
Divorced/Separated	242	12.5%
Widowed	102	5.3%
Single	422	21.7%
Engaged	47	2.4%

Replies: By head of household

	Number of replies	Percent of replies
Yes	1,267	65.2%
No	675	34.8%

Replies: By sex

	Number of replies	Percent of replies
Female	1,034	53.2%
Male	908	46.8%

Replies: By household income, by region

	Percent of replies*					
	Total	Northeast	North Central	South Atlantic	South Central	West
(Number of replies)*	(1,922)	(403)	(389)	(385)	(360)	(385)
Under $10,000	7.5%	7.7%	7.4%	5.7%	11.1%	6.0%
$10,000-$19,999	25.2%	26.3%	18.3%	20.8%	42.2%	19.7%
$20,000-$29,999	24.0%	21.8%	24.4%	26.5%	24.2%	23.1%
$30,000-$39,999	19.9%	24.6%	21.9%	23.6%	10.0%	18.7%
$40,000-$49,999	11.6%	9.9%	13.6%	10.7%	8.1%	15.3%
$50,000 or more	11.8%	9.7%	14.4%	12.7%	4.4%	17.2%

*Excludes no answer.

Replies: By geographic region

Region	Number of replies	Percent of replies	Percent of electrically wired homes in region*
Northeast (New England/ Middle Atlantic)	406	20.9%	20.4%
North Central (East and West North Central)	396	20.4%	26.2%
South Atlantic	393	20.2%	16.9%
South Central (East and West South Central)	360	18.6%	17.2%
West (Mountain/ Pacific	387	19.9%	19.3%
Total	**1,942**	**100.0%**	**100.0%**

*For 3rd Quarter of 1982. Source: Edison Electric Institute.

11 Eleventh Annual Consumer Survey

Close to a third of the shoppers now own a videogame

Almost one third of the consumers polled by *Merchandising* now own a videogame and close to another eight percent plan to buy one this year. If they follow through with their plans, it would mean that a whopping 38.5 percent of the households represented would own some kind of a system.

The best-known systems, by far, remain those by Atari, with better than 60 percent of the shoppers saying that this was the brand that they owned, planned to buy or would consider purchasing first.

Nevertheless, there remains a hard-core group, 601 of our shoppers, who do not have a videogame and do not care to own one. The vast majority said they simply were not interested in the product, although some said the units remain too expensive. A small, but probably growing, percentage indicated that they would prefer to purchase a computer. It's interesting to note that only a scant 1.7 percent of the sample said that they were not familiar with the product, indicating that the videogame has made amazing inroads in consumer awareness during its short but frenetic life.

Discounters win

It's also significant that more than a third of the shoppers indicated that a discount store was the first establishment that came to mind when they thought about videogames.

On the software side, there seems to be some indication that the shoppers who own videogames are planning to buy fewer cartridges this year. In 1982, 69.8 percent bought five or more. This year, by comparison, only 33.9 percent of the consumers plan to buy that many. In fact, in 1983, 23.1 percent of the game owners do not plan to buy any new games at all. ●

Videogames

Is there a videogame in your household?

	Percent of replies*
Yes	30.8%
No	69.2%

*981 replies

Do you expect to purchase a videogame in 1983?

	Percent of replies*
Yes**	7.7%
No	92.3%

*981 replies
**Excludes those planning to buy a second videogame.

What kind of videogame do you own, would you buy?

	Percent of replies*
Atari	61.4%
Intellivision	18.4%
ColecoVision	12.0%
Odyssey	5.6%
Sears	1.0%
Other**	1.6%

*376 replies
**Six other brands were named by one respondent each.

Expected change (%) in videogame ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Videogames	302	76	378	+25.2%

*981 replies

Where did you, or would you purchase your videogame?

	Percent of replies*
Discount store	36.0%
Sears, Penney's type store	19.5%
Electronics store	17.3%
Department store	15.2%
Appliance/TV store	7.6%
Catalog showroom	6.9%
Other	4.9%
	**

*739 replies
**Does not add to 100% because of multiple replies.

If you do not have a videogame and do not expect to purchase one in 1983, why not?

	Percent of replies*
Not interested	69.2%
Too expensive	20.1%
Prefer a computer	7.5%
Not familiar with it	1.7%
Other reasons	4.2%
	**

*601 replies
** Does not add to 100% because of multiple replies.

If you own a videogame, how many videogame cartridges do you own? How many do you expect to purchase in 1983?

	Percent of replies	
	In 1982	In 1983
(Number of replies)	(302)	(316)
1-4	23.9%	43.0%
5-9	36.4%	26.3%
10-19	30.1%	7.6%
20 or more	3.3%	0.0%
One or more	93.7%	76.9%
None	6.1%	23.1%

One third of all shoppers plan to buy a TV this year

An amazing 33.3 percent of the shoppers interviewed by *Merchandising* said that they plan to purchase a television set sometime in 1983. And the overwhelming majority, 87.8 percent, said that it would be a color model (although nine of the consumers said that they plan to buy both a color and a black and white set).

One reason for this strong burst of enthusiasm for the workhorse of the video industry may be that the TV has become so much more than just a passive receptor of The Love Boat, reruns of Gilligan's Island, Dynasty and the like.

Today, the American family can use their set to play games, call up recipes, balance a checkbook, watch a movie, lead an exercise routine, access the stock market and much much more. Thanks to the videogame, the home computer, the videodisc and the videocassette recorder, consumers are taking a second look at their TV.

One is not enough

Many are apparently finding that they need at least one more. After all, what happens when Dad wants to balance the checkbook, Junior wants to play Pac-Man and Mom wants to join Jane Fonda for a workout? The answer is obvious.

In addition, the high-quality reproduction offered by these peripherals can make an aging set look less than satisfactory. Consumers are learning to look for the best in video reproduction.

Manufacturers are reporting that their sales of top-of-the-line sets—monitors and units with audio and video input and output jacks—are moving quite well this year. And such features are finding their way down the product line into lower-priced units, as well.

All in all, an increasing number of shoppers are joining the video revolution. And buying a new TV or two may be regarded as nothing more than a rite of passage. ●

TV

Do you expect to purchase a TV in 1983?

	Percent of replies*
Yes	33.3%
No	66.7%

*981 replies

If you expect to purchase a TV in 1983, will it be color or B&W?

	Percent of replies*
Color TV	87.8%
Black-and-white TV	15.0%

*320 replies. Includes nine respondents who plan to buy both.

Videodisc saturation will grow despite lack of enthusiasm

Almost two thirds as many shoppers as now own a videodisc player plan to buy one in 1983, which would generate a 61.3 percent increase in ownership among the consumers polled.

Percentage-wise, that sounds great. But when we look at the numbers, it becomes apparent that the videodisc player has yet to win a spot in the hearts of at least most of those consumers polled by *Merchandising*. Out of 974 shoppers posed this question, only 31 (two percent) now own a videodisc player and another 19 plan to buy one in 1983. This would produce a total of 50 videodisc player owners.

When asked why they're not interested in the product, those who have no plans to buy one said that in most cases they were simply not interested. A much smaller percentage said that the videodisc player was too expensive or that they simply were not familiar with the product. And even fewer said that they already own a VCR or would rather buy one.

Product makes inroads

Nevertheless, it would appear that the videodisc player is slowly but surely winning friends among consumers. In last year's consumer survey, only 2.3 percent of the 1,900 shoppers polled owned a videodisc player. However, at that time, another 2.63 percent planned to buy one in 1982.

If they had followed their plans, it would have produced a saturation rate of 4.95 percent by the end of the year. Although two different groups of consumers were interviewed for each year's poll and the results are not truly comparable, it is interesting to note that a larger portion of this year's group does own a player. The base is growing. ●

Videodisc Players

Is there a videodisc player in your household?

	Percent of replies*
Yes	3.2%
No	96.8%

*974 replies

Do you expect to purchase a videodisc player in 1983?

	Percent of replies*
Yes	2.0%
No	98.0%

*974 replies

If you do not own a videodisc player and do not expect to purchase one in 1983, why not?

	Percent of replies*
Not interested	64.5%
Too expensive	16.7%
Not familiar with it	13.4%
Already own a VCR	4.0%
Would rather buy a VCR	1.3%
Other reasons	3.3%
	**

*820 replies
**Does not add to 100% because of multiple replies.

Expected change (%) in videodisc player ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Videodisc player	31	19	50	+61.3%

*974 replies

Low interest, high cost hold down projection TV sales

It looks like projection TV is going to remain a very special product aimed at very special people, at least for the coming year.

Only 5.3 percent of the shoppers polled by *Merchandising* indicated that they plan to enter the big-screen market this year. And, as we have already pointed out, this is a relatively upscale group.

Some 4.4 percent of the shoppers already have one, they said. So if those who said they will buy follow through with their plans, it would generate a 120.9 percent increase in projection TV ownership.

What's keeping people away from the category? Almost half, 48.1 percent, said they are not interested. Close to a third, 31.2 percent, said the product is too expensive.

Another 14.3 percent, probably victims of the shrinking housing syndrome of the Eighties, reported that they don't have the room for such a product. Poor picture quality was cited by nearly 10 percent of those polled. And another seven percent have been living in a vacuum for the past few years and aren't familiar with the product.

Some, if not all, of these objections are now being tackled by the manufacturers. Prices are easing downward. In addition, smaller sets are being brought to market as are units designed to be more compact and take up less space. Rear-screen models can help solve the space problem too.

A number of manufacturers also report that they will soon be introducing new products (perhaps as early as the June CES) that will demonstrate markedly better picture quality.

Perhaps as the objections listed by the consumers are overcome, we will see the projection TV follow the VCR into the video limelight. ●

Projection TV

If you do not have a projection TV and do not expect to purchase one in 1983, why not?

	Percent of replies*
Not interested in it	48.1%
Too expensive	31.2%
Don't have the room	14.3%
Don't like the quality of the picture	9.8%
Not familiar with it	7.0%
Other reasons	1.9%
	**

*853 replies
**Does not add to 100% because of multiple replies.

Do you expect to purchase a projection TV in 1983?

	Percent of replies*
Yes	5.3%
No	94.7%

*981 replies

Is there a projection TV in your household?

	Percent of replies*
Yes	4.4%
No	95.6%

*981 replies

Expected change (%) in projection TV ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Projection TV	43	52	95	+120.9%

*981 replies

11 Eleventh Annual Consumer Survey

Price is the prime factor for consumers choosing a VCR

The price of a VCR weighed heavily on the minds of the shoppers interviewed by *Merchandising's* pollsters. More than 40 percent of the consumers, VCR owners and non-owners alike, reported that price was the most important factor to them in selecting a unit.

In addition, among those who do not own a VCR and do not intend to buy one, close to 40 percent said they felt the product was just too expensive.

It would appear, however, that some of the consumers are getting better educated about the product. Nearly 40 percent (almost as many who listed price) said they looked first at a VCR's features before making a purchase. Features was also the second most important factor listed by the shoppers polled. Brand name came in third in both cases.

A decidedly upscale group, our shoppers reported that 17.9 percent of them now have a VCR and another 10.6 percent plan to buy one this year. That would produce a 59.1 percent increase in ownership.

Almost a third of those who own a VCR also have a video camera. And another 15.3 percent plan to make that purchase in 1983, which would send the ownership rate soaring 48.2 percent.

Where do these consumers go for their VCR's? The most popular choice, listed by more than a quarter of those interviewed, was a video specialty store. Still price conscious, close to 20 percent said they'd go to a discount store. Almost as many said their local Appliance/TV store would be their choice.

Product takes off

Many consider 1982 to be the year that the VCR really and truly became entrenched in the American home. Driven in part by plummeting prices at retail, sales soared.

Looking at last year's consumer survey (again, please remember, the results *are not* directly comparable) we find that only a miniscule 2.32 percent of the 1,900 shoppers polled owned VCR's and that another 2.58 percent planned to buy one in 1982. That would have sent the saturation rate to 4.9 percent for that particular group, far below the 17.9 percent saturation rate for this year's 981 shoppers.

This might indicate that people who were not even considering a VCR early in 1982 ended up buying one anyway later in the year.

It would also appear that the trend is continuing. So far this year, VCR sales have soared off the charts. Manufacturers are reporting shortages and prices are stabilizing. Yet the consumers continue to buy.

The surveys for 1982 and 1983 also indicate that more and more VCR owners are electing to get involved with the product rather than sitting by passively and watching it perform. This year, 31.8 percent own a video camera, compared with the 25.3 percent of VCR owners who had one a year ago.

One reason here is undoubtedly the growing popularity of the portable VCR. And as this product proliferates, more cameras will undoubtedly be sold in the year ahead. ●

Videocassette Recorders

Do you expect to purchase a VCR in 1983?

	Percent of replies*
Yes	10.6%
No	89.4%

*981 replies

Is there a VCR in your household?

	Percent of replies*
Yes	17.9%
No	82.1%

*981 replies

If you do not have a VCR and do not expect to purchase one in 1983, why not?

	Percent of replies*
Not interested in it	55.8%
Too expensive	37.1%
Not familiar with it	8.6%
Other reasons	2.2%
	**

*685 replies
**Does not add to 100% because of multiple replies.

Expected change (%) in VCR ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
VCR's	176	104	280	+59.1%

*981 replies

If you own a VCR, do you also own a video camera?

	Percent of replies*
Yes	31.8%
No	68.2%

*176 replies

What are the most important factors for you in choosing a VCR?

	Percent of replies*		
	Main factor	Second factor	Third factor
Price	41.8%	35.0%	20.2%
Features	38.8%	37.3%	21.9%
Brand name	18.0%	23.9%	53.3%
Other factors	1.4%	0.3%	0.9%
None indicated	0.0%	3.5%	3.7%

*649 replies

Where did you, or would you purchase your VCR?

	Percent of replies*
Video specialty store	25.4%
Discount store	18.3%
Appliance/TV store	16.2%
Audio/hifi specialty store	13.4%
Sears, Penney's type store	12.0%
Department store	8.8%
Catalog showroom	5.4%
Other	3.4%
	**

*759 replies
**Does not add to 100% because of multiple replies.

If you own a VCR, do you expect to purchase a video camera in 1983?

	Percent of replies*
Yes	15.3%
No	84.7%

*176 replies

Expected change (%) in video camera ownership in 1983 vs. 1982 among VCR owners

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Video cameras	56	27	83	+48.2%

*176 replies

11

Eleventh Annual Consumer Survey

VCR owners will buy and rent more prerecorded videotapes

Although the VCR owners among the 981 consumers polled indicated that overall they planned to buy more prerecorded videotapes, rent more prerecorded videotapes and buy fewer blank videotapes, a number of interesting points are raised:

- Fewer people plan to buy blank videotapes, but those who do say they will buy more than they did in 1982.
- Fewer people plan to buy prerecorded videotapes, but, once again, those who do report they too will buy more than they did last year.
- More people plan to rent prerecorded videotapes this year, but they plan to rent fewer titles than they did in 1982.

What does all this mean? It might appear that two distinct camps are developing among VCR owners. The first is composed of those who prefer to buy blank tapes and do their own recording. The second is composed of people who use their machines primarily for viewing prerecorded fare.

In addition, it would seem that those who follow the prerecorded route are being attracted by some of the lower prices now being offered on titles such as Star Trek II: The Wrath of Khan and An Officer and a Gentleman. As a result, they may be buying more and renting fewer tapes.

Among those who rent, recent movies, those made in 1981 or later, will make up the bulk of the titles they choose. Older movies come in second, followed at a distance by X-rated titles. Alternate programming, unfortunately, does not fare as well. Less than 10 percent of the tapes rented this year are expected to fall into this category.

Fewer buy audiotape

Looking at blank audiotape, close to 20 percent of the owners of cassette recorders said they do not plan to buy any blank tapes this year, compared with only 5.9 percent who said they did not buy any in 1982.

It would appear, however, that those who do buy have been well educated by the manufacturers and the retailers. Well over half said quality was the most important factor to them when choosing an audiotape. Less than a third said the price of the tape was the dominant point. ●

Videotape

Average for those VCR owners buying any blank videotapes in 1982 or planning to purchase any in 1983

	In 1982*	In 1983*	Percent change
Number of purchasers	151	143	−5.3%
Average number of blank videotapes per purchaser	8.4	8.7	+3.6%
Total blank videotapes purchased (all purchasers)	1,301	1,249	−4.0%

*164 replies

If you own a VCR, of the videotapes that were purchased blank, how many did you buy in 1982? How many do you expect to purchase in 1983?

	Percent of replies*	
	In 1982	In 1983
1-4	25.0%	22.0%
5-9	35.4%	36.6%
10-19	20.8%	15.9%
20-29	8.5%	8.5%
30-49	1.2%	3.6%
50 or more	1.2%	0.6%
One or more	92.1%	87.2%
None	7.9%	12.8%

*164 replies

If you own a VCR, how many videotapes do you own that were purchased blank?

	Percent of replies*
1-4	20.7%
5-9	48.2%
10-19	8.5%
20-29	11.6%
30-49	3.0%
50 or more	4.3%
One or more	96.3%
None	3.7%

Average for those buying any blank videotapes: 12.4

*164 replies

If you own a VCR, how many prerecorded videotapes do you own?

	Percent of replies*
1-4	23.8%
5-9	18.3%
10-19	15.2%
20-29	4.3%
30-49	1.2%
50 or more	3.7%
One or more	66.5%
None	33.5%

Average for those owning prerecorded videotapes: 12.1

*164 replies

If you own a VCR, how many prerecorded videotapes did you rent in 1982? How many do you expect to rent in 1983?

	Percent of replies*	
	In 1982	In 1983
1-4	6.7%	10.4%
5-9	12.8%	9.1%
10-19	22.6%	22.0%
20-29	14.0%	21.3%
30-49	7.9%	6.7%
50 or more	6.7%	7.9%
One or more	70.7%	77.4%
None	29.3%	22.6%

*164 replies

If you own a VCR, of your prerecorded videotapes, how many did you buy in 1982? How many do you expect to purchase in 1983?

	Percent of replies*	
	In 1982	In 1983
1-4	29.3%	20.1%
5-9	12.8%	22.0%
10-19	14.0%	9.2%
20-29	3.7%	1.8%
30-49	1.2%	2.4%
50 or more	1.2%	0.6%
One or more	62.2%	56.1%
None	37.8%	43.9%

*164 replies

If you own a VCR, what portion (%) of the prerecorded videotapes that you plan to rent in 1983 will each of the following account for?*

	Percent of prerecorded videotapes rented in 1983
Recent movies (1981 or later)	43.1%
Older movies (pre-1981)	33.6%
X-rated	13.2%
Educational/instructional	9.7%
Other	0.4%

*135 replies

Average for those VCR owners buying any prerecorded videotapes in 1982 or planning to purchase any in 1983

	In 1982*	In 1983*	Percent change
Number of purchasers	102	92	−9.8%
Average number of prerecorded videotapes per purchaser	8.4	9.5	+13.1%
Total prerecorded videotapes purchased (all purchasers)	857	874	+2.0%

*164 replies

Average for those VCR owners renting any prerecorded videotapes in 1982 or planning to rent any in 1983

	In 1982*	In 1983*	Percent change
Number of renters	116	127	+9.5%
Average number of prerecorded videotapes per renter	19.6	18.0	−8.2%
Total prerecorded tapes rented (all renters)	2,275	2,286	+0.5%

*164 replies

11 Eleventh Annual Consumer Survey

Audiotape purchasers rate quality as most important factor

Audiotape

Do you own a cassette recorder?

	Percent of replies*
Yes	64.2%
No	35.8%

*978 replies

What are the most important factors for you when buying a blank audiocassette?

	Percent of replies*		
	Main factor	Second factor	Third factor
Quality	60.5%	32.3%	6.1%
Price	31.1%	39.8%	25.3%
Brand name	8.4%	23.9%	63.6%
None indicated	0.0%	4.0%	5.0%

*620 replies

If you own a cassette recorder, how many of your audiocassettes did you purchase blank in 1982? How many do you expect to buy in 1983?

	Percent of replies*	
	In 1982	In 1983
1-4	11.2%	16.8%
5-9	35.5%	44.0%
10-19	14.0%	7.2%
20-29	14.6%	9.0%
30-49	9.4%	1.3%
50-74	5.8%	1.2%
75 or more	3.6%	1.2%
One or more	94.1%	80.7%
None	5.9%	19.3%

*608 replies

Most shoppers have a hifi, but have no plans to buy another

The good news here is that most of the 980 consumers polled by *Merchandising*, some 84.3 percent, own a hifi system. The bad news is that most of the sample, 84.6 percent in fact, do not plan to buy one in 1983.

Why? The vast majority, 86.4 percent, reported that they are simply content with the stereo that they already have. Another 8.1 percent just can't get excited about the category. And, surprisingly enough, another 6.5 percent said they feel the product is too expensive for them. (Either the recession is deeper than we thought or the industry has not let people know that prices have slipped a bit over the past few years!)

Whatever the case, our consumers indicated that when and if they do think about purchasing hifi equipment, it's the audio/hifi specialty store that would attract slightly more than half of them. This was followed, albeit at a distance, by the department store in second place. Next came catalog stores such as Sears and Penney's followed by discount stores, Appliance/TV stores, catalog showrooms and, finally, furniture stores.

Among those who own a stereo, the component system is the most popular. Some 62.8 percent have one. This is followed, again at a distance, by console owners, making up 22 percent of the group. Another 21.7 percent have compact systems.

The lineup switches somewhat for those who expect to buy a hifi this year. More, 69.1 percent, said that they expect to choose a component system. Another 20.1 percent said they will opt for a compact. Only 10.8 percent said a console would be the hifi of their choice.

Sales are sluggish

It's no secret that stereo sales have been anything but exciting over the past few years. The category has had its sales eroded by more glamorous consumer electronics such as the VCR, the videogame and the home computer. Its own sister products in the portable stereo category have also provided some competition for the consumer's disposable dollars.

This year, however, could be the start of something big. Few of those consumers polled back in January and February were aware that there's a new audio product in the offing that just might change, and drastically, how they feel about the category. It might be enough to bring them back into the market, perhaps in a big way.

We're talking, of course, about the digital audiodisc player. Now in limited distribution in the U.S., the players are far from becoming a mass market item. Nevertheless, consumers are starting to hear about them, read about them and perhaps even hear one in action on the radio, on TV or in a local store.

Those who are exposed to this new technology, retailers and manufacturers are hoping, will come away thinking about audio in a whole new light. In the first place, they are going to be impressed by the sound. Secondly, the high-tech laser technology is going to fascinate them. And finally, they're going to like the size and the virtual indestructability of the software.

They may not be willing to make a purchase this year (when prices are not expected to fall much below the $800 level). But as time goes on and prices fall, purchases will be made.

Then, the manufacturers believe, we will see a boom in audio. Customers who take their digital audiodisc player home and hook it up to a 10-year-old stereo are not going to be pleased with what they hear. And, if the retailers play their cards right, these consumers will be back to upgrade their receiver and their speakers.

Already, manufacturers are gearing up to take advantage of this by marketing products billed as "digital ready." They believe there's a new world coming, and they're ready to grab a part of the action for their own.

Only time will tell if digital audio is able to live up to the great expectations many hold for it. But one thing's for sure: There are a whole lot of people rooting for it to succeed. ●

High Fidelity Systems

Do you expect to purchase a hifi system in 1983?

	Percent of replies*
Yes	15.4%
No	84.6%

*980 replies

Is there a hifi system in your household?

	Percent of replies*
Yes	84.3%
No	15.7%

*980 replies

If you own a hifi system, what type is it?

	Percent of replies*
Component	62.8%
Console	22.0%
Compact	21.7%
	**

*820 replies
**Does not add to 100% because of multiple replies.

If you do not expect to purchase a hifi system in 1983, why not?

	Percent of replies*
Already own one	86.4%
Not interested	8.1%
Too expensive	6.5%
Other reasons	0.8%
	**

*780 replies
**Does not add to 100% because of multiple replies.

Where did you, or would you purchase your hifi system?

	Percent of replies*
Audio/hifi specialty store	52.3%
Department store	13.1%
Sears, Penney's type store	12.3%
Discount store	9.6%
Appliance/TV store	8.5%
Catalog showroom	6.8%
Furniture store	3.7%
Other	6.1%
	**

*903 replies
**Does not add to 100% because of multiple replies.

If you expect to purchase a hifi system in 1983, what type will it be?

	Percent of replies*
Component	69.1%
Console	10.8%
Compact	20.1%

*149 replies

11 Eleventh Annual Consumer Survey

Most consumers still buy their stereo with their car

Although aftermarket stereo sales continue to grow, the bulk of the car stereo owners approached by the *Merchandising* pollsters report they continue to buy the sound system when they buy their car. Some 41.6 percent said so.

Things may be looking up, however. In last year's survey, almost 60 percent of the car stereo owners said they had purchased the unit with the automobile. Although the two surveys are not directly comparable, this could serve as a rough indicator that more and more consumers are turning to car stereo retailers to give their automobile the sound system it deserves.

Leading the list of those prospering from such activity is the audio/hifi specialty store. Almost a quarter of the consumers said that's where they went or would go for their autosound system. Another 16.8 percent said that they would elect to go to a car stereo specialist. The also-rans included catalog stores such as Sears and Penney's, discount stores, catalog showrooms, Appliance/TV stores and department stores.

More than half have

In this year's survey, well over half of the shoppers polled, 61.4 percent, own a car stereo system, compared with 49.1 percent last year. In addition, another 12.7 percent said that they expect to purchase such a system in 1983, which would (if they follow through with their good intentions) create a 20.6 percent jump in the number of systems owned by this group of shoppers.

While the car stereo category remains healthy (as witnessed by the number of new manufacturers that have rushed in over the past year) it is not showing the growth it did in the hallycon days of the late Seventies.

Once again, however, a new technology is waiting in the wings that could give the product a shot in the arm. This time, it's AM stereo. Although we are now witnessing the battle of the formats, some sort of system will eventually emerge—it may be a single format, or a receiver capable of picking up all of them.

At that point, the consumer is going to have a good reason to take a second look at his autosound system. No one expects him to junk his stereo in favor of one that receives AM stereo (especially not until AM programming improves). But the new technology may be enough to give the category a little more pep than it's shown in the recent past. ●

Car Stereo

Expected change (%) in car stereo ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Car stereos	602	124	726	+20.6%

*980 replies

Do you expect to purchase a car stereo in 1983?

	Percent of replies*
Yes	12.7%
No	87.3%

*980 replies

Is there a stereo system in a car owned by a member of your household?

	Percent of replies*
Yes	61.4%
No	38.6%

*980 replies

Where did you, or would you purchase your car stereo?

	Percent of replies*
Purchase with car	41.6%
Audio/hifi specialty store	23.4%
Car stereo specialist	16.8%
Sears, Penney's type store	4.8%
Discount store	4.4%
Catalog showroom	3.4%
Appliance/TV store	1.8%
Department store	1.2%
Other	2.6%

*565 replies

More than one third of shoppers own a personal portable stereo

Five years ago, none of the shoppers interviewed by *Merchandising* even knew what a personal portable stereo was. Now, well over a third, 38.1 percent, have one in their household.

This is a remarkable rate of saturation for a product so young. But its ability to capture the public's imagination has definitely earned it a place in the Product Hall of Fame for the 1980s.

Our survey found that another 11.1 percent of those polled plan to purchase a personal portable sometime this year. If they do, this would produce a percent change of 29.1 percent.

When asked what they paid, or what they would be willing to pay for such a product, close to half of the consumers indicated that prices from $50 to $99 would set the cash registers ringing. In second place was the $100 to $149 price point, and the under-$50 area came in third. Few people indicated that they would be willing to pay much more than $150 for a personal portable.

Although the product has done phenomenally well in recent years, there is some concern that it will not experience similar growth in the years ahead. As a result, manufacturers are scrambling to bring out new, innovative variations on the theme.

This year, we'll see more units with radios, as well as more models that are radios alone. We will also find more units with high-end features such as auto-reverse, Dolby noise reduction, dbx and more sophisticated motors. Some units will be designed for use in particularly hostile environments. And sizes, in general, should continue to shrink. ●

Personal Portable Stereo

Expected change (%) in personal portable stereo ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Personal portable stereo	374	109	483	+29.1%

*981 replies

How much did you, or would you spend for your personal portable stereo?

	Percent of replies*
Under $50	17.4%
$50–$99	46.2%
$100–$149	28.2%
$150–$199	4.9%
$200 or more	3.3%

*390 replies

Do you expect to purchase a personal portable stereo in 1983?

	Percent of replies*
Yes	11.1%
No	88.9%

*981 replies

Is there a personal portable stereo in your household?

	Percent of replies*
Yes	38.1%
No	61.9%

*981 replies

11

Eleventh Annual Consumer Survey

Computer ownership will jump 129.7 percent

Ten percent of the 1,942 consumers polled own a personal computer. An additional 13 percent will buy one this year, and they seem willing to spend some bucks.

Despite the price wars raging in the personal and home computer markets right now, price isn't a prime concern for many consumers. Of those surveyed by *Merchandising*, 23.1 percent said they did or would buy the computer for between $400 and $799. But almost 40 percent reported they did or would buy a prepackaged system (with some mix of peripherals) for between $800 and $2,500.

Computer stores are garnering a good portion of this business. Slightly over 25 percent of the consumers have or will buy their units in these outlets. Another 24.4 percent have or will shop at electronics specialty stores. On the other hand, the discount store, which has been doing much of the under-$500 business since late last year, was mentioned by only 12.2 percent of the consumers.

Consumers often return to the stores after their initial purchase for added peripherals. The most popular add-on purchase is the telephone modem, 78.7 percent; followed by memory expansion modules, 63.9 percent; a cassette player, 56.1 percent; floppy disk drive, 48.5 percent, and printer, 46.7 percent.

These figures indicate that owners are looking for more and more uses for their computers. Networking possibilities, that is, being able to plug into data bases like the stock market for quotations, are boosting the desire for a telephone modem, for example.

As the consumer does find more things to do with his system, he needs more memory. Those many machines in the market with 16K RAM, or the ability to hold about 16,000 bytes or characters of information, just may not be large enough anymore for the owner's purposes.

Offer lessons with purchase

Three-quarters of those polled said they had either received or would want free lessons with the purchase of a computer. While specialty stores are capable of handling such a request, the mass market of dealers has yet to make the investment in computer-trained salespeople that can provide this sales-closing service.

Facilities for repair are also important to computer owners. Almost 68 percent of the 1,270 consumers who responded to this question said they do or would take their unit back to the store where it was purchased to be serviced. Only 11.2 percent mentioned a specialty computer repair shop. About the same number said they would call a repair service to their home and 8.6 percent said they do or would take it to a general electronics repair shop. An additional 2.2 percent said they prefer to mail the computer to a servicing dealer.

Besides hardware and service, most dealers will also be vying for a portion of the computer software market. Determining consumer usage, therefore, can be a big help in deciding what to carry.

The consumers we polled said they spend or would spend a quarter of their computer time playing games. However, for 36.4 percent of the time, the computer would be used as a business tool, with 15 percent allocated for education.

Children on the other hand, are or will spend 58.3 percent of their computer time playing games; 40.7 percent with educational software.

Business software rates highest among our consumers in the assortments they have or plan to buy, at 33.4 percent. Entertainment software follows at 27.4 percent; educational titles, 20.4 percent. Home management titles account for 19.0 percent of the software titles that are or will be owned.

Where are computer owners buying or planning to buy software? Two-thirds of them said in the store where the computer is purchased. ●

Personal Computers

Is there a personal computer in your household?

	Percent of replies*
Yes	10.0%
No	90.0%

*1,942 replies

Do you expect to purchase a personal computer in 1983?

	Percent of replies*
Yes	13.0%
No	87.0%

*1,942 replies

How many software programs did you, would you purchase for your computer in the first year?

	Percent of replies*
10 or more	13.2%
7-9	8.0%
5-6	19.2%
3-4	23.7%
1-2	27.4%
One or more	91.5%
None	8.5%

*1,002 replies

Did you get, would you want free lessons with the purchase of your computer?

	Percent of replies*
Yes	76.1%
No	23.9%

*1,647 replies

Where did you, would you buy your personal computer?

	Percent of replies*
Computer store	25.4%
Electronics specialty store	24.4%
General merchandise store	15.3%
Discount store	12.2%
Department store	6.8%
Audio/hifi specialty store	6.5%
Appliance/TV store	6.1%
Video specialty store	4.4%
Catalog showroom	3.5%
Other	1.0%
	**

*1,420 replies
**Does not add to 100% because of multiple replies.

What portion (%) of the software programs you did, would purchase would be devoted to each of the following?*

	Percent of software programs
Business	33.4%
Entertainment (games)	27.4%
Education	20.2%
Home management (finances, etc.)	19.0%

*372 replies

Where did you, would you buy most of your software programs?

	Percent of replies*
Store where computer is purchased	66.8%
Software specialty store	22.6%
Other store that handles both computers and software	13.5%
Through the mail	4.6%
	**

*1,214 replies
**Does not add to 100% because of multiple replies.

Which accessories did you, would you buy with your personal computer? Which did you or would you buy later?

		Percent of replies	
	Number of replies	Did/will buy with computer	Did/will buy later
Printer	917	53.5%	46.7%
CRT (TV screen)	911	70.1%	29.9%
Expanded memory modules	808	36.1%	63.9%
Floppy disk drive	787	51.5%	48.5%
Cassette player	747	43.9%	56.1%
Telephone modem	709	21.3%	78.7%

How much did you, would you spend for the personal computer only? How much for the computer package?

	Percent of replies	
	Computer only	Computer package
(Number of replies)	(1,283)	(1,246)
Under $250	15.8%	10.8%
$250-$299	11.5%	7.2%
$300-$399	15.3%	8.5%
$400-$799	23.1%	17.0%
$800-$1,499	15.7%	19.9%
$1,500-$2,499	12.1%	19.2%
$2,500-$2,999	3.6%	8.9%
$3,000 or more	2.9%	8.5%

Average (median) price: $527.12 for computer only; $1,027.62 for computer package.

11 Eleventh Annual Consumer Survey

Most consumers polled like hand-held mini-card calculators

The calculator of choice among the consumers polled by *Merchandising* is the hand-held model in all its variations. Most of those polled indicated that they either owned or would consider buying such a unit.

In this category, the most popular product was the mini-card size, which 54.7 percent of the consumers said they would be attracted to. A distant second was the scientific, followed by the printer and then the programmable model.

Although desk-top calculators were not nearly as popular, almost 30 percent of the shoppers said they either owned or would be interested in purchasing a unit that both printed and displayed the numbers. About half as many said a display-only unit would appeal to them and even fewer indicated they liked models that only printed.

All in all, nearly three quarters of the consumers said that there is now some type of electronic calculator in their household. And an additional 8.4 percent said they thought they would buy one in 1983. If so, this would generate an 11.6 percent boost in the rate of saturation.

Key to the success of this product is its price and availability. Hailed as a modern-day miracle when it made its debut more than a decade ago, the pocket calculator is now taken for granted by many. It has become just another tool of everyday life.

Prices are eminently affordable, and the calculators can be found in virtually every type of retail outlet.

In recent years, we've seen a number of innovations in the category. Many units are run by solar energy. Some tell time, play tunes or even play games. Others can be bent like a credit card without being damaged.

But no matter what special properties the calculator may possess, its prime function is to make life easier (and more accurate) for the masses. Judging by the saturation figure among our consumers, it has succeeded. ●

Calculators

What type of an electronic calculator do you own, would you buy?

	Percent of replies*
Hand-held	
Mini-card	54.7%
Scientific	19.1%
Printer	15.3%
Programmable	14.9%
Other	0.3%
Desk-top	
Printer and display	28.4%
Display only	15.6%
Printer only	12.9%
	**

*790 replies
**Does not add to 100% because of multiple replies.

Do you expect to purchase an electronic calculator in 1983?

	Percent of replies*
Yes**	8.4%
No	91.5%

*981 replies
**Excludes present owners of electronic calculators.

Is there an electronic calculator in your household?

	Percent of replies*
Yes	72.2%
No	27.8%

*981 replies

Expected change (%) in electronic calculator ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Electronic calculators	708	82	790	+11.6%

*981 replies

Almost half of consumers polled own a quartz watch

Another miracle of the modern age, the quartz watch, has proven itself a winner among the consumers polled by *Merchandising*.

Nearly half, 47.4 percent of them, report that they own one.

In addition, another 11.7 percent said that they will buy a quartz watch sometime in 1983. If they do, this would generate a 24.7 percent increase.

Most popular among our shoppers was the digital quartz watch. Close to 60 percent said it was either the one they owned or the one they would choose. Slightly more than 44 percent said that they were attracted to the more traditional analog style.

As with calculators, the accuracy of this product has been a major drawing point. Falling price points have helped build saturation as well.

In addition, the manufacturers have succeeded in getting out the word about quartz. Today, many consumers who were unaware of the product a few years ago would insist on a quartz movement when purchasing a watch.

The fact that these movements have also allowed watches to become thinner and more fashionable has also helped. ●

Quartz Watches

Expected change (%) in quartz watch ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Quartz watches	465	115	580	+24.7%

*981 replies

Do you own a quartz watch?

	Percent of replies*
Yes	47.4%
No	52.6%

*981 replies

Do you expect to purchase a quartz watch in 1983?

	Percent of replies*
Yes**	11.7%
No	88.3%

*981 replies
**Excludes present owners of quartz watches.

What kind of quartz watch do you own, would you buy?

	Percent of replies*
Digital	59.7%
Analog	44.6%
	**

*744 replies. Includes non-owners and respondents who don't plan to purchase in 1983.
**Does not add to 100% because of multiple replies.

11

Eleventh Annual Consumer Survey

Almost half of consumers polled have / will install their own phones

More than two-fifths of consumers polled said they had bought or would buy their own phone from a dealer independent of Ma Bell. Just over 46 percent of the total intended phone owner group said that wherever they bought, they would self-install their phone.

But when consumers were asked who they expected their equipment to be serviced by, almost 50 percent answered "the phone company." Such findings may be reason for alarm, especially when these consumers wake up to find that it's a whole new world out there.

Fortunately, manufacturers have begun answering the call for service by setting up authorized dealer networks around the country, and the timing couldn't have been any better. From 1,927 replies, 38.6 percent of those polled own one or more telephones. The largest group (18.2 percent) still owns just one, followed by 11.7 percent who own two units each. By next year, however, multiple phone ownership should be the norm and not the exception.

Right now, over three-fifths of those consumers polled don't own a telephone. Less than 30 percent of those queried intend to buy a phone this year. What do these figures all add up to? A virtually untapped market potential for dealers of all types, that's what.

Buy to save money

Those consumers who have bought or will buy their telephone(s) said that saving money was the first reason for doing so. Next in priority was added features. At 22.8 percent of the replies, it's a small segment when one considers the vast amounts of electronic equipment being offered in the market today. The feeling among many dealers over the past six months is that while shoppers are price-smart, most don't really know the differences among rotary, pulse and Touch-Tone dialing features.

Although 68.1 percent commented that saving money was the key factor in the decision to purchase, that doesn't mean they won't spend generously on the phone itself. Better than one third of those queried said they had bought or would buy a phone priced between $40 and $70. Just over 30 percent, the second largest group, picked the $20 to $40 range. About 10 percent indicated they would go for a unit costing less than $20. Apparently the quality of the Ma Bell phones they have cradled for years has told them that they have to spend more to obtain a comparable model.

Those retailers selling cordless phones, most reporting an excellent fourth quarter of 1982 right through to the present, may be surprised to find that only 6.4 percent of the consumers polled own one. While only 12 percent of the respondents said they would buy one this year, that figure may increase. Almost 40 percent told *Merchandising* they would spend between $50 and $100 for a cordless unit. With prices of more fully featured models coming down to that range, and solutions to cordless interference on the horizon, the second half may be even brighter than it already appears. ●

Telephones

Why did you, would you purchase your own phone?

	Percent of replies*
To save money	68.1%
Wanted features	22.8%
For style/design	19.9%
Other reasons	4.5%
	**

*1,510 replies
**Does not add to 100% because of multiple replies.

Do you expect to purchase any telephones in 1983?

	Percent of replies*
Yes	27.9%
No	72.1%

*1,925 replies

Do you expect to purchase a cordless phone in 1983?

	Percent of replies*
Yes	12.0%
No	88.0%

*1,887 replies

How much did you, would you pay for a telephone?

	Percent of replies*
Under $20	10.4%
$20-$39.99	30.6%
$40-$69.99	36.2%
$70-$99.99	15.5%
$100-$150	8.3%
Over $150	1.8%

Average (median) price: $47.44

*1,580 replies

Do you own a cordless phone?

	Percent of replies*
Yes	6.4%
No	93.6%

*1,887 replies

Who services, or would you expect to service your own phone?

	Percent of replies*
Phone company	49.9%
Dealer	29.2%
Self	9.2%
Serviceman	5.0%
Member of family	4.4%
Other	2.3%

*1,472 replies

Where did you, would you buy your own phone?

	Percent of replies*
Retail store independent of the phone company	42.4%
Phone company's phone	29.8%
Store owned by phone company	27.0%
Received as a gift	10.6%
Other	2.0%
	**

*1,535 replies
**Does not add to 100% because of multiple replies.

Of the telephones in your household, how many do you own?

	Percent of replies*
6 or more	0.5%
5	0.9%
4	2.0%
3	5.3%
2	11.7%
1	18.2%
One or more	38.6%
None	61.4%

*1,927 replies

If you own or expect to purchase your own telephone, who did or would install it?

	Percent of replies*
Self	46.7%
Phone company	28.0%
Member of family	13.6%
Dealer	8.5%
Serviceman	1.9%
Other	2.4%
	**

*1,550 replies
**Does not add to 100% because of multiple replies.

11 Eleventh Annual Consumer Survey

One third of shoppers plan to buy a major appliance

Replacement appliance sales will be key in 1983 in lifting the industry out of the doldrums. Customers have held off replacing the units bought in the 1960s and 1970s due to high interest rates and the general lack of disposable income. But purse strings are loosening. Through March, for example, shipments were up in dishwashers, 37.1 percent; refrigerators, 16.5 percent, and electric ranges, 32.6 percent.

We asked our shoppers if they expected to purchase a major appliance in 1983. One third of the 961 respondents answered that they did have such plans with clothes dryers and washers heading the list.

Slightly more than 10 percent of the total sample said they intend to purchase a washer this year; 10.4 percent said they will buy a dryer. An additional 8.4 percent will be in the market for a freezer; 8.2 percent for a refrigerator; seven percent for a range, and 6.3 percent for a dishwasher.

Where will they buy them? Almost half of the consumers said a Sears, Penney's type store would be their first stop. An Appliance/TV operation would be the destination of 39.5 percent of the shoppers. Discount and department stores, however, lagged far behind, at 10.8 and 9.6 percent, respectively.

Would consumers consider renting instead of buying an appliance? Yes, said 10 percent of the shoppers polled. In fact, of the total sample, 3.1 percent of the consumers said they already rent one or more major appliances. ●

Major Appliances

Where will you buy the major appliance(s) you expect to purchase in 1983?

	Percent of replies*
Sears, Penney's type store	49.0%
Appliance/TV store	39.5%
Discount store	10.8%
Department store	9.6%
Catalog showroom	3.5%
Other	2.2%
	**

*314 replies
**Does not add to 100% because of multiple replies.

Which major appliance(s) do you expect to purchase in 1983?

	Percent planning to buy any	Percent of total sample
(Number of replies)	(317)	(961)
Clothes dryer	31.9%	10.5%
Washer	31.5%	10.4%
Freezer	25.6%	8.4%
Refrigerator	24.9%	8.2%
Range	21.1%	7.0%
Dishwasher	19.2%	6.3%
Garbage disposal	12.3%	4.1%
Trash compactor	10.4%	3.4%

Saving energy is a factor in more room air purchases

Room air conditioners remains a category which has relatively low saturation, at least among the consumers *Merchandising* surveyed. Sixty-five percent of them do not own even one room air unit.

Still, only seven percent of our 961 respondents said they plan to purchase a room air conditioner in 1983. This does not bode well for an industry in which unit shipments through March were down 53.1 percent—reflecting the heavy inventory carryover from 1982.

What is significant, however, is that of the models that will be bought this year, more of them should sport high energy-efficiency ratios. Evidently, manufacturers' educational messages are getting through to greater numbers of the general public.

Only 26.5 percent of those owning room air units said that E.E.R. had been a consideration in their most recent purchase.

What's encouraging is that 50.6 percent of this year's respondents said they are now familiar with the term E.E.R., where many of them had not been in the past. For example, only 15.4 percent of the 1,900 shoppers polled a year ago said they understood "E.E.R.'s."

Over three-fourths of this year's consumers, 76.1 percent, said that E.E.R. would be a consideration in their next room air conditioner purchase. Only 11.4 percent of last year's consumers said it would matter at point-of-sale.

It must be noted, however, that two different groups of consumers were interviewed for each year's poll and the results are not truly comparable.

What can quickly change the number of room air units that will be purchased this year, however, is the weather. Lulled by cool temperatures in 1982, many consumers no doubt believe they can get through another year without making a purchase. But it will take only a few weeks of overpowering heat to boost sales close to record-breaking numbers. ●

Room Air Conditioners

Are you familiar with the term "E.E.R."?

	Percent of replies*
Yes	50.6%
No	49.4%

*961 replies

How many room air conditioners are there in your household?**

	Percent of replies*
5 or more	0.1%
4	1.7%
3	2.9%
2	7.8%
1	22.5%
One or more	35.0%
None	65.0%

*961 replies
**Excludes air conditioning provided by apartment house management/owners.

If you own a room air conditioner, was E.E.R. a consideration in your most recent purchase?

	Percent of replies*
Yes	26.5%
No	73.5%

*336 replies

Will E.E.R. be a consideration in your next room air conditioner purchase?

	Percent of replies*
Yes	76.1%
No	23.9%

*486 replies from consumers familiar with the term E.E.R.

Do you expect to purchase a room air conditioner in 1983?

	Percent of replies*
Yes	7.0%
No	93.0%

*961 replies

11 Eleventh Annual Consumer Survey

38.5 percent of consumers own a microwave oven

Almost 40 percent of the 961 shoppers polled by *Merchandising* own a microwave oven, considerably more than the 25 percent national average. And another 16.1 percent plan to purchase one in 1983, a gain of 41.9 percent.

What's more, 4.3 percent of the 370 owners have more than one oven in their household. And an additional 4.6 percent plan to purchase a second unit this year for use in the den, rec room or summer home.

Most of the ovens already placed in homes were purchased in the past three years—25.4 percent of them in 1982, 25.9 percent in 1981 and 22.2 percent in 1980.

But microwave technology has progressed quickly and several new features have been introduced over the past couple of years. As a result, 20.9 percent of current owners said they would consider trading in their present units for models with additional features.

What additional features do they want? The turntable was mentioned most often, by 35.1 percent of respondents, programmability by 29.9 percent and automatic defrost by 22.1 percent. Temperature probe and memory were each cited by 20.8 percent of the 77 respondents.

The features most important to current owners and to those who plan to purchase their first oven this year are automatic defrost, cited by 55.2 percent; touch pad controls, by 38.7 percent; automatic cooking, by 33.3 percent, and turntable, by 33.1 percent of the shoppers.

Among owners, reheating food is the prime use of their oven—accounting for 45.8 percent of its timed use. Consumers told *Merchandising* that they use the oven for cooking regular meals 32 percent of the time and for simple defrosting, 21.1 percent of the time.

Aside from simple reheating and defrosting, however, 30 percent of the consumers said that they use their oven for preparation of 20 to 49 percent of their meals. An additional 31.7 percent use it for 50 to 74 percent of their meals and 25.6 percent of the 363 owners use the oven for preparing 75 percent or more of their meals. The average is 44.7 percent of meals.

Appliance / TV store shopped most

Microwave customers, however, don't necessarily shop in the same outlets for ovens as they do for other major appliances. The Appliance/TV store was named most often—by 36.6 percent of the shoppers who own or plan to buy an oven. Sears, Penney's type stores were mentioned by 22.9 percent and the department store was cited by 15.6 percent. Interestingly, microwave specialty stores were mentioned by only 7.5 percent of the consumers.

Over the past couple of years, manufacturers have made more fully featured ovens available at continually lower prices. When consumers were surveyed a year ago about the cost of their ovens, 31.3 percent had paid between $400 and $499; 22.9 percent between $300 and $399. Since a different group of consumers were interviewed this year, the results are not truly comparable. However, the trend in pricing is distinctly downward. Almost 33 percent of the shoppers queried in 1983 have or will spend $300 to $399 for an oven; 27.1 percent have or will spend $400 to $499. The average retail price dropped from $454 in 1982 to $423.76 this year, based on respondents' answers.

Even though prices are dropping, eight percent of our 961 consumers stated that they would consider renting, instead of buying, a microwave oven. They believe this would be an easy way to "try out an oven," "to have it on hand for a special party," or for the "option of being able to trade up to a more fully featured oven easily as the market changed."

The majority of consumers, however, said they were not in favor of renting an oven, citing reasons such as, "We prefer to own," "It's too expensive an option over the long run," and "We would prefer to have a new instead of a used model in the home." ●

Microwave Ovens

Is there a microwave oven in your household?

	Percent of replies*
Yes	38.5%
No	61.5%

*961 replies

If you own a microwave oven, what portion (%) of the time do you use it for each of the following?*

	Percent of time
Reheating food	45.8%
Cooking regular meals	32.0%
Simple defrosting	21.1%
Other uses	1.1%

*370 replies

Do you expect to purchase a microwave oven in 1983?

	Percent of replies*
Yes**	16.1%
No	83.9%

*961 replies
**Excludes present owners of microwave ovens.

What type of microwave oven do you own, would you buy?

	Percent of replies*
Countertop	68.1%
Space saver	17.1%
Countertop with convection	10.7%
Single cavity	4.0%
Double oven	2.6%
	**

*656 replies
**Does not add to 100% because of multiple replies.

How much did you, would you spend for your microwave oven?

	Percent of replies*
$200-$299	10.2%
$300-$399	32.6%
$400-$499	27.1%
$500-$599	18.2%
$600-$699	7.1%
$700 or more	4.8%

Average: $423.76

*479 replies

Expected change in microwave oven ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Microwave ovens	370	155	525	+41.9%

*961 replies

Where did you, would you buy your microwave oven?

	Percent of replies*
Appliance/TV store	36.6%
Sears, Penney's type store	22.9%
Department store	15.6%
Discount store	12.7%
Microwave specialty store	7.5%
Catalog showroom	5.9%
Receive as premium	1.0%
Other	5.2%
	**

*733 replies
**Does not add to 100% because of multiple replies.

If you own a microwave oven or expect to purchase one in 1983, which features are most important to you?

	Percent of replies*
Automatic defrost	55.2%
Touch pad controls	38.7%
Automatic cooking	33.3%
Turntable	33.1%
Programmability	30.9%
Temperature probe	30.3%
Memory	25.1%
Delay start	18.9%
Other	6.9%
	**

*525 replies
**Does not add to 100% because of multiple replies.

If you own a microwave oven, excluding simple reheating or defrosting, what portion (%) of your meals are prepared with your oven?

	Percent of replies*
Under 10%	4.4%
10%-19%	8.3%
20%-49%	30.0%
50%-74%	31.7%
75% or more	25.6%

Average portion of meals: 44.7%

*363 replies

11 Eleventh Annual Consumer Survey

Planned housewares purchases include cookware

More than half of the consumers interviewed by *Merchandising* plan to make a cookware purchase this year.

What will they buy? Most indicated that stainless steel and stoneware would be the star products. In addition, 61.9 percent said they would buy the cookware open stock while 40.3 percent reported that they planned to purchase a set. (This adds up to more than 100 percent because some people said they plan to buy both.)

It is also interesting to note that close to a third of the respondents said they would buy their cookware in a department store and exactly a quarter said they would turn to a discount store for their purchase. ●

Cookware

Do you expect to purchase any cookware in 1983?

	Percent of replies*
Yes	57.1%
No	42.9%

*961 replies

In what type of store will you purchase cookware in 1983?

	Percent of replies*
Department store	32.1%
Discount store	25.0%
Specialty housewares store	16.9%
Catalog showroom	14.9%
Sears, Penney's type store	14.4%
Other	2.9%
	**

*549 replies
**Does not add to 100% because of multiple replies.

If you expect to purchase cookware in 1983, what type will it be?

	Percent of replies*
Stainless steel	22.2%
Stoneware	20.6%
Cast iron	14.2%
Glass	13.5%
Ceramic	11.7%
Porcelain enamel on cast iron	11.5%
Plastic	8.6%
Aluminum	8.4%
Enamel	5.1%
Microwave	3.6%
Copper	0.7%
Other	3.1%
	**

*549 replies
**Does not add to 100% because of multiple replies.

Almost 40% now own a food processor

According to the consumers interviewed for *Merchandising's* consumer survey, the food processor is now in use in close to 40 percent of their kitchens. And the market is still not saturated, at least not with this group. Another 9.9 percent said they plan to purchase a food processor sometime in 1983. If they follow through with their plans, this will generate a 26.1 percent increase in the number of units in use.

Some of the shoppers, however, indicated that they would be buying a new food processor to replace one that they were already using. Most said that they would be trading up to a more expensive unit or a newer model that offered additional features. ●

Food Processors

Is there a food processor in your household?

	Percent of replies*
Yes	37.9%
No	62.1%

*961 replies

Expected change (%) in food processor ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Food processors	364	95	459	+26.1%

*961 replies

Shoppers will buy hair dryers, scales, shavers

The hair dryer led the parade of planned purchases in personal care among the consumers interviewed by *Merchandising*. A little over 20 percent of those queried about housewares said that they planned to buy a hair dryer this year.

Another popular item is the bathroom scale. Just over 17 percent of the consumers said they planned to buy one. It seems that the new digital units are drawing more and more consumers back into the market. Also, the nation's love affair with the slim, trim body seems to be keeping the scale market more than healthy.

Electric shavers showed up high in the charts, too. A number of manufacturers are giving this product a push like it hasn't seen in years, trying to get younger customers into the market. It would appear that their efforts are about to pay off.

Also performing well were curling irons/styling wands and shower massagers, both which interested about 10 percent of the shoppers. Heating pads came close.

Not ranking so high in this year's survey were curling brushes, foot bath/massagers, hair setters, water pulsators, hand-held massagers and facial saunas. ●

Personal Care Products

Which personal care products do you expect to buy in 1983?

	Percent planning to buy any	Percent of total sample
(Number of replies)	**(645)**	**(961)**
Hair dryer	30.1%	20.2%
Bathroom scale	25.6%	17.2%
Electric shaver	20.0%	13.4%
Curling iron/styling wand	16.0%	10.7%
Shower massager	14.7%	9.9%
Heating pad	13.0%	8.7%
Makeup mirror	9.3%	6.2%
Electric toothbrush	7.6%	5.1%
Curling brush	7.1%	4.8%
Foot bath/massager	6.8%	4.6%
Hair setter	6.7%	4.5%
Water pulsator	5.6%	3.7%
Hand-held massager	5.3%	3.5%
Facial sauna	4.0%	2.7%

Air purifiers may show 50% growth

Although only 16.8 percent of the shoppers contacted by *Merchandising* owned a portable air purifier, another 8.3 percent said that they plan to buy one in 1983. If they do, this would generate a 49.7 percent increase in ownership.

There remain, however, 91.7 percent who have no plans to make such a purchase. Why not? More than half, 54.7 percent, said they were simply not interested in the product. Close to a quarter, 23.6 percent, said that they didn't need one because there were no smokers in the household. Some 9.9 percent said they felt the product was not effective. Another 6.7 percent said they weren't familiar with the product, and 6.6 percent said they felt the air purifiers were too expensive.

Most of our shoppers reported that when they thought about buying an air purifier, a catalog store such as Sears or Penney's was the first place they'd consider going. Almost as many said they'd turn to a discount store. Other types of dealers, however, including department stores and catalog showrooms, lagged behind. ●

Air Purifiers

Is there a portable air purifier in your household?

	Percent of replies*
Yes	16.8%
No	83.2%

*961 replies

Where did you, would you buy your portable air purifier?

	Percent of replies*
Sears, Penney's type store	29.3%
Discount store	28.0%
Department store	17.6%
Catalog showroom	14.8%
Drug store	7.3%
Other	4.7%
	**

*731 replies
**Does not add to 100% because of multiple replies.

Do you expect to purchase a portable air purifier in 1983?

	Percent of replies*
Yes	8.3%
No	91.7%

*961 replies

Expected change (%) in portable air purifier ownership in 1983 vs. 1982

	Own in 1982*	Will buy in 1983*	Will own in 1983*	Percent change
Portable air purifiers	161	80	241	+49.7%

*961 replies

Many ceiling fan purchases planned

Those consumers interviewed by *Merchandising* are apparently gearing up for a long, hot summer. More than 10 percent plan to buy fans this year, even though 69.7 percent of the consumers reported that they already own at least one.

Most popular is the ceiling fan, named by more than a third as their fan of choice. Also popular were box and traditional oscillating models. ●

Fans

Which type of fan do you own, would you buy?

	Percent of replies*
Ceiling	34.0%
Box	26.8%
Oscillating	26.4%
Window	20.5%
Other	2.0%
	**

*917 replies
**Does not add to 100% because of multiple replies.

Do you expect to purchase a fan in 1983?

	Percent of replies*
Yes	12.5%
No	87.5%

*961 replies

Close to 20% own a kerosene heater

Some 17.9 percent of the consumers contacted by *Merchandising* already own a kerosene heater, and another 7.4 percent said they will buy one in 1983. If so, this would produce an increase of 41.3 percent in ownership.

Among those who would not buy one, the majority said they had no need for the product. However, slightly more than 20 percent said they think the heaters are unsafe and another 13.3 percent perceive the heaters as too "messy or smelly." ●

Kerosene Heaters

If you don't own a kerosene heater and don't expect to purchase one in 1983, why not?

	Percent of replies*
No need for it	67.9%
Think it is unsafe	20.9%
Too messy/smelly	13.3%
Illegal in my area	5.0%
Too expensive	1.5%
Other	1.8%
	**

*661 replies
**Does not add to 100% because of multiple replies.

Do you expect to purchase a kerosene heater in 1983?

	Percent of replies*
Yes	7.4%
No	92.6%

*[illegible] replies

Is there a kerosene heater in your household?

	Percent of replies*
Yes	17.9%
No	82.1%

*961 replies

Many will buy digital clock radios

More than one third of the shoppers interviewed for the *Merchandising* consumer survey plan to purchase a digital clock radio in 1983. This is despite the fact that 61.7 percent of the households report they already own at least one.

Another popular purchase among the shoppers this year will be analog decorative wall clocks. Some 20.7 percent plan to buy one, adding to the 35 percent who already own at least one.

Digital desk-top models also ranked high among potential clock buyers as did digital alarms and analog kitchen wall clocks.

Lower on the list came other analog clocks, digital decorative wall clocks, digital kitchen wall clocks, analog desk clocks, analog clock radios and analog alarm clocks.

It came as no surprise that 99.3 percent of the shoppers polled reported owning at least one electric clock. They indicated that the most popular types are the analog kitchen wall clock and the digital clock radio, both in about 60 percent of the homes.

They were followed, in order, by digital alarm clocks, analog decorative wall clocks, analog clock radios and digital desk clocks. Coming in at the end were analog desk clocks, digital kitchen wall clocks, other analog clocks, digital decorative wall clocks and other digital entries. ●

Electric Clocks

Is there an electric clock in your household?

	Percent of replies*
Yes	99.3%
No	0.7%

*961 replies

Which types of electric clocks do you own,* expect to purchase in 1983?

	Percent of replies	
	Own in 1982	Will buy in 1983
(Number of replies)	(954)	(376)
Kitchen wall		
Digital	6.7%	5.1%
Analog	60.4%	12.5%
Decorative wall		
Digital	3.6%	6.1%
Analog	35.0%	20.7%
Alarm		
Digital	39.9%	13.6%
Analog	32.2%	2.4%
Clock radio		
Digital	61.7%	35.6%
Analog	21.3%	2.7%
Desk		
Digital	13.7%	15.4%
Analog	9.9%	3.5%
Other		
Digital	1.3%	1.3%
Analog	6.5%	5.6%

*For households with one or more electric clocks.

One third of grills will be gas

Slightly more than one third of the consumers who plan to purchase a grill this year said that they will buy a gas-run model. In all, eleven percent of the consumers polled by *Merchandising* said that they plan a grill purchase.

Where will they go for their grills? Most, 21.1 percent, said they'd shop at a discount store. This was followed closely by 20.7 percent, who said they would head for a catalog store such as Sears or Penney's. Another 15.8 percent said they'd buy theirs at a specialty outdoor store, and department stores would win 15.1 percent of the grill buyers. Another 11.9 percent said they'd turn to a catalog showroom and 16 percent listed other types of stores.

Although the number of consumers opting for gas was high, many more said that they'd stick with charcoal. All in all, 58.4 percent said they'd go for a charcoal-run model.

Only a small percentage, 8.5, said they'd consider purchasing an electric grill. ●

What type of outdoor grill do you own, plan to buy?

	Percent of replies*
Charcoal	58.4%
Gas	33.6%
Electric	8.5%
	**

*714 replies
**Does not add to 100% because of multiple replies.

Grills

Do you expect to purchase an outdoor grill in 1983?

	Percent of replies*
Yes	11.0%
No	89.0%

*961 replies

Upright vacuums lead purchase plans

Despite the fact that 94.7 percent of the consumers interviewed for *Merchandising*'s consumer survey already own a vacuum cleaner in one form or another, 11.4 percent said they plan to buy another sometime in 1983.

The most popular type of model, according to the shoppers, is the standard upright. More than half of those who own or plan to buy a vacuum this year, 52.7 percent indicated this style.

More than a third, 35.5 percent, own or will purchase a canister-style vacuum. And 19.3 percent said that they prefer a lightweight model.

These figures add up to more than 100 percent because some of the consumers polled indicated that they own or plan to buy more than one vacuum this year. Apparently the multi-vacuum household is becoming more the norm than the exception. ●

Vacuum Cleaners

Do you expect to purchase a vacuum cleaner in 1983?

	Percent of replies*
Yes	11.4%
No	88.6%

*961 replies

Which type of vacuum cleaner do you own, would you buy?

	Percent of replies*
Upright	52.7%
Canister	35.5%
Lightweight	19.3%
	**

*856 replies
**Does not add to 100% because of multiple replies.

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

	Last month's position	Months on chart
1. **An Officer and a Gentleman** *(Paramount)*	1	3
2. **Road Warrior** *(Warner)*	3	3
3. **Blade Runner** *(Embassy)*	2	2
4. **Creepshow** *(Warner)*	—	1
5. **The Boat (Das Boot)** *(RCA/Columbia)*	6	4
6. **Rocky III** *(CBS/Fox)* **GI**	5	5
7. **Poltergeist** *(MGM/UA)* **I**	4	5
8. **Honky Tonk Man (Warner)**	—	1
9. **Monsignor** *(CBS/Fox)*	12	2
10. **The World According to Garp** *(Warner)*	9	4
11. **Night Shift** *(Warner)*	15	4
12. **The Secret of Nimh** *(MGM/UA)*	—	1
13. **Young Doctors in Love** *(Vestron)*	14	3
14. **Victor/Victoria** *(MGM/UA)*	8	6
15. **Missing** *(CBS/Fox)*	18	5
16. **Fast Times at Ridgemont High** *(MCA)*	11	4
17. **Best Little Whorehouse in Texas** *(MCA)* **GI**	10	5
18. **Jane Fonda's Workout** *(Karl Video)* **GPI**	29	9
19. **Amityville II** *(Embassy)*	—	1
20. **Firefox** *(Warner)*	13	5
21. **Annie** *(RCA/Columbia)* **I**	7	5
22. **Playboy Video Vol. II** *(CBS/Fox)*	—	1
23. **Star Trek II: The Wrath of Khan** *(Paramount)* **I**	16	6
24. **Last Unicorn** *(CBS/Fox)*	—	1
25. **Come Back to the Five and Dime, Jimmy Dean, Jimmy Dean** *(Embassy)*	—	1
26. **Tron** *(Walt Disney)* **I**	17	5
27. **Midnight Cowboy** *(MGM/UA)*	—	1
28-29. **An Evening with Robin Williams** *(Paramount)*	—	1
28-29. **Last American Virgin** *(MGM/UA)*	—	1
30. **Diner** *(MGM/UA)*	26	4

Top 10 in videocassette sales

1. **An Officer and a Gentleman** *(Paramount)*	1	3
2. **Jane Fonda's Workout** *(Karl Video)* **GPI**	2	10
3. **Blade Runner** *(Embassy)*	3	2
4. **Star Trek II: The Wrath of Khan** *(Paramount)* **I**	4	8
5. **Road Warrior** *(Warner)*	6	2
6. **Poltergeist** *(MGM/UA)*	—	3
7. **Rocky III** *(CBS/Fox)* **GI**	7	5
8. **Creepshow** *(Warner)*	—	1
9. **Strawberry Shortcake in Big Apple City** *(Family Home Entertainment)*	—	2
10. **Playboy Video Vol. II** *(CBS/Fox)*	—	1

Top 5 in CED videodisc sales

1. **An Officer and a Gentleman** *(Paramount)*	1	2
2. **Rocky III** *(CBS/Fox)*	—	4
3. **Annie** *(RCA/Columbia)*	5	2
4. **Blade Runner** *(Embassy)*	—	1
5. **Poltergeist** *(MGM/UA)*	2	3

Top 5 in laserdisc sales

1. **An Officer and a Gentleman** *(Paramount)*	1	2
2. **Star Wars** *(CBS/Fox)*	4	7
3. **Blade Runner** *(Embassy)* **P**	2	2
4. **Rocky II** *(CBS/Fox)*	—	1
5. **Tron** *(Walt Disney)*	3	4

VIDEO/NEW RELEASES

EMBASSY

LET'S SPEND THE NIGHT TOGETHER (1982). The greatest rock 'n roll band in history performing in concert. Captured on film during their record-breaking 1981 tour, the Rolling Stones play such classics as Under My Thumb, Satisfaction, Honky Tonk Woman and the title song. *Color PG 94 minutes Stereo C: $39.95 Disc. $29.95.*

H'WOOD VIDEO

THE TRAGEDY OF RICHARD II (1982) The first in what has been announced will be a 38-play collection is Shakespeare's classic Richard II. The play stars David Birney and Paul Shenar. Other titles, also available on videocassette, will be released in coming months.

KARL VIDEO

EVERYDAY WITH RICHARD SIMMONS (1983) Straight from his hit syndicated TV show, Simmons teaches viewers to tone their bodies and lose weight. Included in the program is a 15-minute warm-up and a one-hour exercise routine containing specific exercises to work on the face, stomach, legs and thighs. *Color 90 minutes.*

MGM/UA

CAROLE KING: ONE TO ONE (1982) The author of such classic songs as One Fine Day, Will You Still Love Me Tomorrow? and Jazzman is the subject of this musical video biography. *Color 60 minutes Stereo C: $59.95.*

JINXED (1982) Perhaps viewers will have more fun watching this film than Bette Midler had making it. Filmed on location in Las Vegas, Reno and Lake Tahoe. *Color R 104 minutes C: $79.95 CED: $29.95.*

MY FAVORITE YEAR (1982) What happens when an aging actor is asked to guest star on the most popular comedy show during the early days of television. Peter O'Toole is delightful. *Color PG 92 minutes C: $79.95 CED: $29.95.*

NORTH BY NORTHWEST (1959) Classic Hitchcock. Cary Grant stars with Eva Marie Saint and James Mason. A double disc. *Color NR 136 minutes CED: $39.95.*

WASN'T THAT A TIME! (1981) The Weavers together again in this filmed version of their 1980 reunion. Songs performed include Kisses Sweeter Than Wine, This Land is Your Land and If I Had a Hammer. *Color PG 78 minutes C: $49.95 CED: $29.95.*

PARAMOUNT

AIRPLANE II: THE SEQUEL (1982) More madness, this time aboard the first lunar space shuttle. *Color PG 84 minutes C: $29.95.*

AN EVENING WITH ROBIN WILLIAMS (1982) Recorded at the Great American Music Hall in his hometown of San Francisco, Robin Williams, the madman of improvisational comedy, performs in concert. *Color 92 minutes Stereo C: $39.95.*

IT CAME FROM HOLLYWOOD (1982) Not exactly Hollywood's brightest moments presented tongue-in-cheek. Gilda Radner, Dan Aykroyd, John Candy and Cheech and Chong are our guides through some of the worst and funniest the motion picture industry has ever offered. *Color PG 80 minutes C: $59.95.*

VIC BRADEN'S TENNIS FOR THE FUTURE (1983) How to, number two. *Color C: $39.95.*

RCA/COLUMBIA

THE PROFESSIONALS (1961) Lee Marvin and Burt Lancaster, looking mean, set out to rescue a wealthy rancher's wife from one of Pancho Villa's revolutionaries. *PG Stereo.*

THE THREE STOOGES, VOL. VI More laughs with those three masters of slapstick comedy. Hide the young, impressionable children. *B/W.*

BEST AVAILABLE COPY

Game ads are smaller, more price oriented compared to big push a few months ago

By Bill DeSiena, associate editor

NEW YORK—The big push is over—at least for now. Consumers used to seeing full page upon full page of videogame promotions while perusing the newspaper during the fourth quarter of last year, now find smaller, price-oriented efforts.

For the most part, the general Christmas sales surge and the strong commitment by videogame suppliers accounted for the size and number of ads through the past holiday.

Reflecting the lack of that support, most retailer ads through March devoted a minimum amount of space to the game area. And the emphasis has been on sharp pricing for both hardware and software.

But as newer titles begin to hit the store shelves this spring at a faster pace, backed by increased promotional efforts on a national level, the current trend in ads should begin to reverse itself.

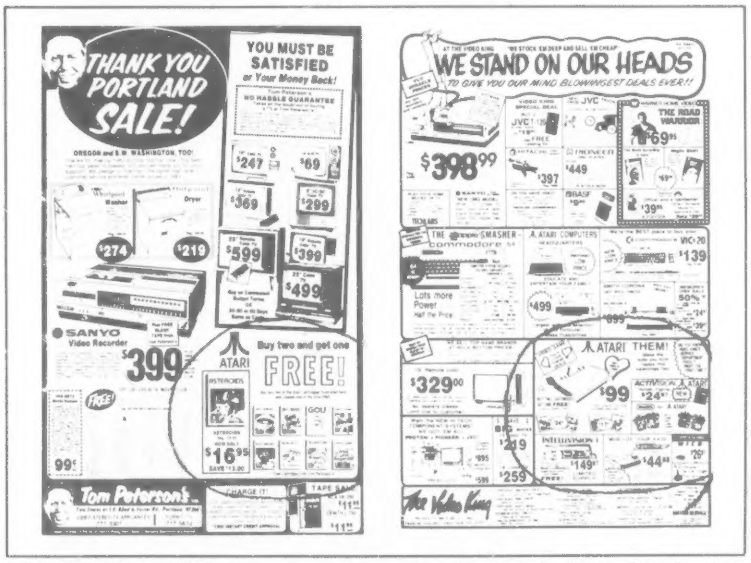
Despite the cutbacks, however, some dealers still managed to come up with innovative promotions to merchandise the price-sensitive videogame hardware and software during the first quarter of 1983.

Happy Birthday Pac-Man

Believe it or not, Atari's Pac-Man cartridge has celebrated his first birthday, and Sam Goody's wrapped the promotion around its entire videogame department. Hailed as its "biggest game event ever," readers were invited to send Pac-Man a birthday card and be eligible for a stand-up Pac-Man arcade game valued at $4,000.

The Pac-Man cartridge was advertised at $19.99, "originally $37.99." The chain also promoted the Atari 2600 at $99.99, ColecoVision at $179.99, Mattel Intellivision II at $149.99 with a free voice synthesizer offer worth $70, and GCE's Vectrex stand-alone videogame system at $169.99.

The ad in the New York Times finished up with "Your choice" cartridge specials for all of the above systems.


THANK YOU PORTLAND SALE!
YOU MUST BE SATISFIED or Your Money Back!
Buy two and get one FREE!
Tom Peterson's
WE STAND ON OUR HEADS
TO GIVE YOU OUR MIND BLOWINGEST DEALS EVER!!
ATARI THEM!
The Video King

DRAWING ATTENTION, a recent ad from Tom Peterson's (left) offered a free Atari cartridge to buyers of two cartridges. The Video King (right) promoted games for Valentine's Day with the slogan "Atari Them."

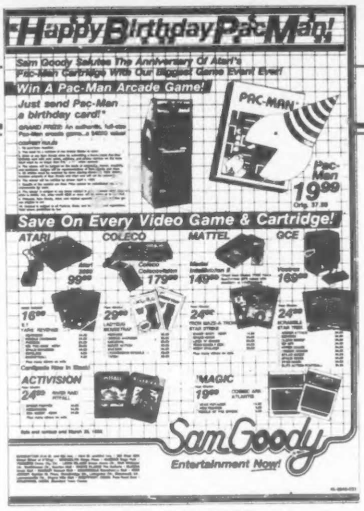
The Chicago area's Video King electronics chain, even though it devoted only one-sixth of the ad space to videogames, gave the section its own ad theme. "*Atari* them! Make the kids you love happy this Valentine's Day!" was the pitch Video King offered readers just before Feb. 14. Reinforcing the message with small hearts, inscribed with "Best price in town" and "You'll love these deals," the VCS was run at $99. "Unlike others, no purchase required," the copy continued.

In addition, the store mentioned its status as a factory-authorized Atari service dealer with the line "Did you know that Video King's service department fixes it the first time?" The store also promoted Mattel's Intellivision II with the free voice module offer, Starpath's Supercharger accessory for the VCS, Wico and Pointmaster joysticks plus software from Activision and Imagic.

In a full-page ad, Trader Horn, an appliance chain headquartered in New Jersey, devoted a quarter-page to videogames. But more the rule than the exception, this ad was strictly price-oriented. Atari's VCS was shown at $88. The 5200 was merely mentioned as being available, the store looking to bring the customer in before revealing the unit's price point.

The Intellivision II was pushed at $137, again including the voice module giveaway, which expires at the end of this month. On both sides of the ad, the Atari and Intellivision cartridges were listed, with prices. A "Your choice" promotion of the hottest-moving titles was mentioned at the bottom.

Tom Peterson's, Inc. included the Atari "But Two Get One Free" offer in his Thank You Portland (OR) Sale, in which he thanked the city for making 1982 "another banner year."


Happy Birthday Pac-Man!
Sam Goody Salutes The Anniversary Of Atari's Pac-Man Cartridge With Our Biggest Game Event Ever!
Win A Pac-Man Arcade Game!
Just send Pac-Man a birthday card!*
PAC-MAN
Pac-Man 19.99
Orig. 37.99
Save On Every Video Game & Cartridge!
ATARI
COLECO
MATTEL
GCE
ACTIVISION
IMAGIC
Sam Goody
Entertainment Now!

PAC-MAN CELEBRATED his first birthday with style as Sam Goody's wrapped a promo around its entire videogame department.

Promoting Asteroids at $16.95, the ad listed and pictured nine titles that were included in the event.

Promotional intent differs

Other stores have been promoting videogame systems with a different purpose in mind—namely to sell another product. Closer to the holidays, the Programs Unlimited computer specialty chain on the East and West Coasts ran an Atari trade-in offer, which invited the reader to trade in his Atari VCS for an Atari 400/800 computer.

The New York-based Computer Center, another specialty dealer, promoted the Atari VCS for $99.95 and an extra pair of Atari joysticks for $10.95—obviously an attempt to lure the customer in to view computer product from Atari, Apple, IBM, Franklin and others.

At the end of February, the Orange, NJ-based Brick Church Appliance chain ran a full-page ad that did not promote any videogame product. Right at the top, however, was a page-stopping offer of a free Arcadia 2001 videogame system from Emerson, "a $129.00 value." The offer was good with the purchase of any appliance, TV, stereo system or component for more than $300. Advertised specials were not included. "Limit one per family," the copy read.

Merchandising's TOP 10 TEN

. . . in videogame software

	Last month's position	Months on chart
1. **Centipede** *(Atari)*	8	2
2. **Ms. Pac-Man** *(Atari)*	2	3
3. **River Raid** *(Activision)*	3	3
4. **Pac-Man** *(Atari)*	7	2
5. **Frogger** *(Parker Brothers)*	5	3
6. **Donkey Kong** *(Coleco)*	4	3
7. **Zaxxon** *(Coleco)*	—	1
8. **Pitfall** *(Activision)*	1	3
9. **Sea Quest** *(Activision)*	—	1
10. **Mousetrap** *(Coleco)*	10	2

Vendors work to differentiate software packaging

(*Continued from page 65*)

package must reflect this," he added.

Epyx has upgraded its package quality and more changes are on the way, Katz reported. J-hook packaging is a likely possibility for the firm's software.

One problem with software packaging today is that the graphics offer little distinction from one title to the next. To counter this, Katz said Epyx will show new packaging at the Summer CES. "We are considering all types of packaging to differentiate ours from the others."

Datasoft will also make changes in its box design shortly, but the company's image will remain consistent with each package. "Can you see the box and know it is a Datasoft title? That's most important. But we also look to provide information about the system it runs on, and the memory and peripherals or cables needed," Lewellyn commented.

Atari, once making computer software only for Atari hardware, will become a third-party supplier in the near future. Packaging graphics might differ on software for Atari hardware versus other computers on the market, but certain packaging themes will be the same throughout.

"Our packaging does two things. It creates a strong, sophisticated impression of Atari HCD products in the store environment, and presents tangible benefits of what may be unfamiliar products to the consumer," commented Richard Moyer, director of marketing services.

Packaging for current Atari 400/800/1200 titles presents a common problem to the shopper and then tells him how the software solves it. The AtariWriter box, for example, shows a bunch of crumpled up papers around a wastepaper basket. A typewriter has been dumped in the basket. The box copy begins with "Your love/hate relationship with your typewriter is about to end."

The idea, said Moyer, is designed to appeal to those people who have never before used a personal computer.

Mecca of Micro D said that consumers still often take a game home, place it on their computer and say "This is nothing like the picture!" "I think we're moving closer to the kind of games that play as well as the package's pictures look good," she concluded.

BEST AVAILABLE COPY

A GRALLA PUBLICATION

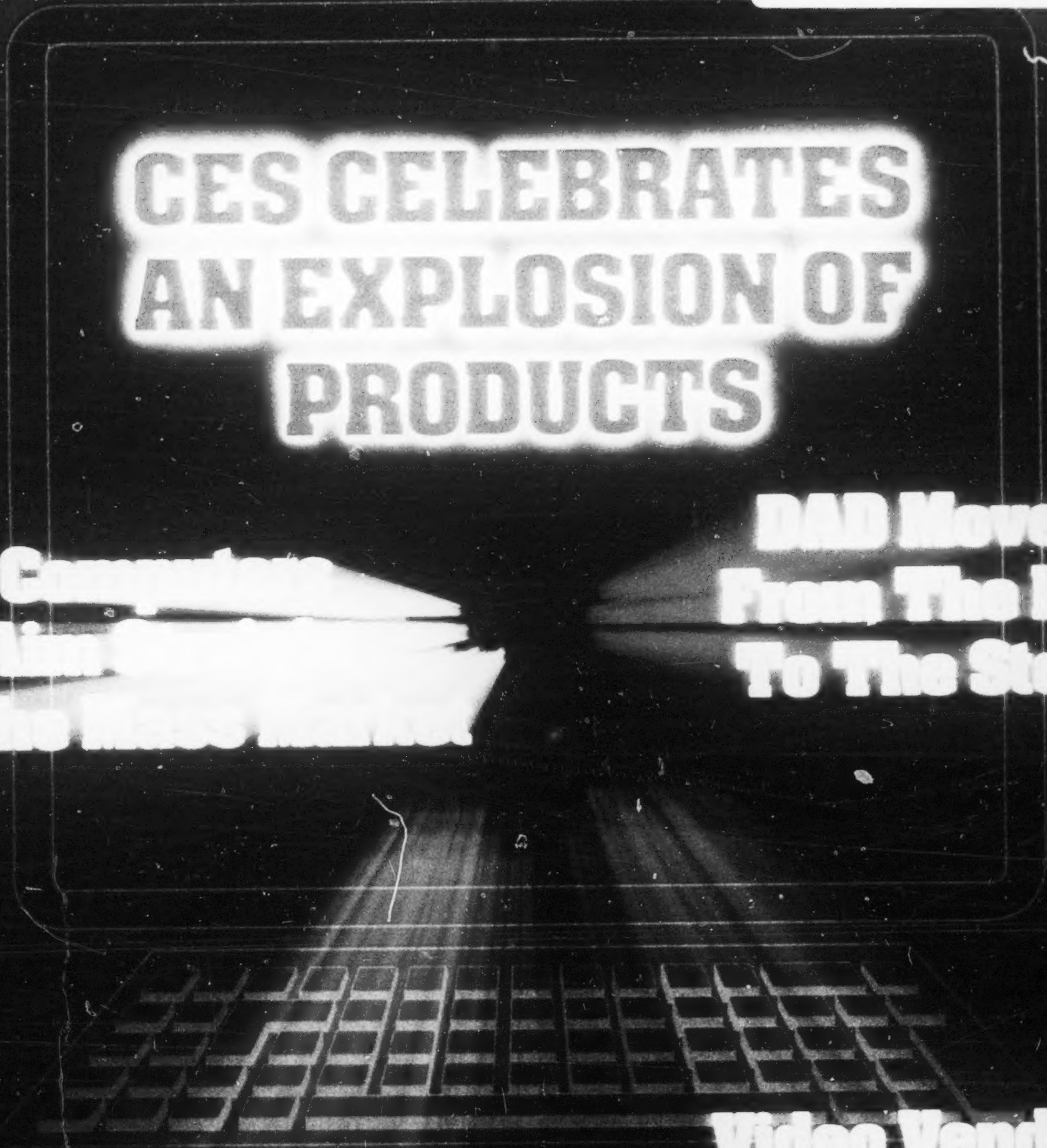
JUNE 1983

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

C 4200-1 6/15/83



CES CELEBRATES AN EXPLOSION OF PRODUCTS

Computers Aim [illegible] At The Mass Market

DAD Moves From The Lab To The Store

Talented Telephones Turn Out In Scores

Video Vendors Live Up To Their Promises

Also in this Issue:

It's Turnaround Time For Major Appliances

Smaller Sells Better In Hair Care Devices

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Merchandising
FOR OVER 55,700 RETAILERS & WHOLESALERS

June, 1983
Our 76th Year
Vol. 8, No. 6

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TOKYO SHAPIRO
WALKMAN

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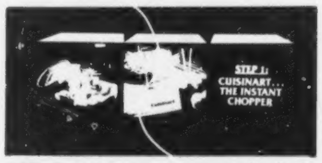

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BEST AVAILABLE COPY

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

	Last month's position	Months on chart
1. **An Officer and a Gentleman** *(Paramount)*	1	4
2. **First Blood** *(Thorn EMI)*	—	1
3. **Road Warrior** *(Warner)*	2	4
4. **Creepshow** *(Warner)*	4	2
5. **Airplane II: The Sequel** *(Paramount)*	—	1
6. **Blade Runner** *(Embassy)* **GP**	3	3
7. **The Boat (Das Boot)** *(RCA/Columbia)*	5	5
8. **Tex** *(Disney)*	—	1
9. **Monsignor** *(CBS/Fox)*	9	3
10. **Rocky III** *(CBS/Fox)*	6	6
11. **Playboy Video Vol. II** *(CBS/Fox)*	22	2
12. **The Secret of Nimh** *(MGM/UA)*	12	2
13. **Poltergeist** *(MGM/UA)* **GPI**	7	6
14. **Missing** *(CBS/Fox)*	15	6
15. **Best Little Whorehouse in Texas** *(MCA)* **GI**	17	6
16. **Jane Fonda's Workout** *(Karl Video)* **GPI**	18	10
17. **Night Shift** *(Warner)*	11	5
18. **Victor/Victoria** *(MGM/UA)* **G**	14	7
19. **Firefox** *(Warner)*	20	6
20. **Fast Times at Ridgemont High** *(MCA)*	16	5
21. **The World According to Garp** *(Warner)*	10	5
22. **Young Doctors in Love** *(Vestron)* **G**	13	4
23. **VideoDrome** *(MCA)*	—	1
24. **Last Unicorn** *(CBS/Fox)*	24	2
25. **Annie** *(RCA/Columbia)* **I**	21	6
26. **Honky Tonk Man** *(Warner)*	8	2
27. **Amityville II** *(Embassy)*	19	2
28. **Richard Pryor Live on the Sunset Strip** *(RCA/Columbia)*	—	2
29. **The Who Rocks America-1982 American Tour** *(CBS/Fox)*	—	1
30. **Tron** *(Disney)* **I**	26	6

Top 10 in videocassette sales

1. **Jane Fonda's Workout** *(Karl Video)* **GPI**	2	11
2. **An Officer and a Gentleman** *(Paramount)*	1	4
3. **Blade Runner** *(Embassy)* **GP**	3	3
4. **Playboy Video Vol. II** *(CBS/Fox)*	10	2
5. **Airplane II: The Sequel** *(Paramount)*	—	1
6. **First Blood** *(Thorn EMI)*	—	1
7. **Star Trek II: The Wrath of Khan** *(Paramount)* **I**	4	9
8. **Road Warrior** *(Warner)*	5	3
9. **Strawberry Shortcake in Big Apple City** *(Family Home Entertainment)*	9	3
10. **Creepshow** *(Warner)*	8	3

Top 5 in CED videodisc sales

1. **An Officer and a Gentleman** *(Paramount)*	1	3
2. **Body Heat** *(RCA/Columbia)*	—	1
3. **First Blood** *(Thorn EMI)*	—	1
4. **Rocky III** *(CBS/Fox)* **GI**	2	5
5. **Jane Fonda's Workout** *(Karl Video)* **GPI**	—	5

Top 5 in laserdisc sales

1. **An Officer and a Gentleman** *(Paramount)*	1	3
2. **Rocky III** *(CBS/Fox)*	—	1
3. **Blade Runner** *(Embassy)* **GP**	3	3
4. **Airplane II: The Sequel** *(Paramount)*	—	1
5. **Tron** *(Walt Disney)* **I**	5	5

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P —Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I —Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

CBS/FOX

SOPHIE'S CHOICE (1982) Meryl Streep won an Academy Award as Best Actress in this adaptation of William Styron's best seller. Also stars Kevin Kline as Nathan and Peter MacNicol as Stingo. *Color C: $79.98 LV: $49.98.*

PLAYMATE REVIEW (1983) A video centerfold. Ten women, all former centerfolds, are seen in a series of video portraits. *C: $59.98 Disc $29.98.*

THE VERDICT (1982) Paul Newman received an Academy Award nomination for his portrayal of a boozing Boston lawyer whose last chance rests in his ability to win a medical malpractice lawsuit. *Color C: $79.98 Disc $39.98.*

DISNEY

CARTOON CLASSICS VOLUME ONE: CHIP 'n' DALE FEATURING DONALD DUCK. CARTOON CLASSICS VOLUME TWO: PLUTO More cartoons from the folks at Disney. These compilations of classic Disney animated shorts are the first in an announced series. Each tape contains seven cartoons.

MEDIA

KENTUCKY FRIED MOVIE (1977) From the creators of Airplane! comes this early spoof of movies, TV shows, commercials and modern society. Also appearing are Donald Sutherland, Bill Bixby, Henry Gibson and Tony Dow. *Color R 85 minutes C: $59.95.*

MGM/UA

MARIE OSMOND: EXERCISES FOR MOTHERS-TO-BE (1983) Entertainer Marie Osmond demonstrates Elizabeth Noble's highly acclaimed exercise program for pregnant women. Shown are exercises designed to strengthen essential muscles to ensure an easier pregnancy and delivery. *Color 60 minutes C: $49.95.*

SCREEN DREAMS: THE HOLLYWOOD PINUP (1983) A look at Hollywood's star making machinery. Included is an interview with current pinup star, Pia Zadora, reason enough to buy the cassette.

OPA

THE HISTORY DISCQUIZ (1983) Hosted by Steve Allen, this laserdisc challenges viewers on their knowledge of sports, space, movies, music, personalities, science and fads. Using the capabilities unique to laserdiscs, the quiz utilizes news clips followed by a series of questions. Score is kept according to the number of right and wrong answers. *Color & B/W LV: $29.95.*

MAZE MANIA (1983) Four different games, each using the unique "branching" capability of laserdiscs, challenge viewers. To advance through the maze, however, correct answers to theme-related questions are needed. *Color LV: $29.95.*

THE WORLD OF MARTIAL ARTS (1983) Learn the secrets of the ancient world of Budojujutsu under the direction of Al Thomas. Slow-motion and still-frame capabilities allow the program to be studied thoroughly. *Color LV: $29.95.*

PACIFIC ARTS

TIMERIDER (1983) Sort of Hell's Angels meet Billy the Kid as a champion motorcycle rider gets sent back in time to the Old West. *Color 94 minutes Stereo C: $59.95.*

RCA/COLUMBIA

THE TOY (1982) Richard Pryor in a maid's dress. Jackie Gleason plays a millionaire. *Color PG.*

THORN EMI

DURAN DURAN (1982) With an RIAA gold album already under their belts, the popular music group Duran Duran now attempts to conquer video. Performances include Rio, Hungry Like A Wolf and Planet Earth. *Color 55 minutes C: $49.95.*

FRANCES (1982) Pursued at one time or another by both King Kong and Dustin Hoffman, Jessica Lange has seen it all. As the blacklisted Hollywood star Frances Farmer, Lange received an Oscar nomination for her performance. *Color 134 minutes C: $69.95.*

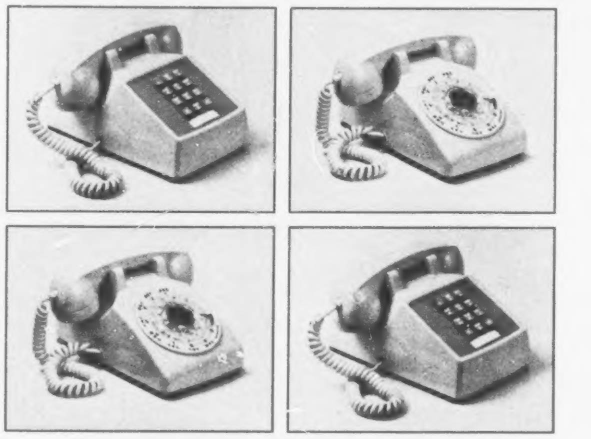
WARNER

HIGH ROAD TO CHINA (1983) Tom Selleck plays a hard drinking airplane pilot hired by an heiress (Bess Armstrong) to find her mysterious, missing millionaire father. *Color PG 107 minutes C: $39.98.*

SATURDAY NIGHT LIVE: CARRIE FISHER (1978) One of the funniest. Don't miss the beach blanket bingo skit featuring Fisher. *Color PG 107 minutes C: $39.98.*

SATURDAY NIGHT LIVE: STEVE MARTIN 2 (1978) Back-to-back hosting jobs by comedian Steve Martin. *Color NR 110 minutes C: $39.98.*

Basic phones will account for 50% of all phone sales in 1983.



Are you aware that half of them will be remanufactured?

For over 22 years we've been devoted to remanufacturing telephones. We've never built or imported a single CB radio or car stereo. We're so good at what we do that we're a major supplier of remanufactured telephones to the telephone companies themselves.

It's also a fact that every telephone company in America uses remanufactured telephones to increase their profits. So, what's with you?

Chances are the phone on your desk was remanufactured by us. Why not pick it up right now and give us a call? What we've got to tell you can make a real difference in how profitably you participate in the exploding telecommunications marketplace.

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OUR NEW BABIES.

TAC-2
Totally-Accurate-Controller™
JOYSTICK CONTROLLER FOR ATARI GAME, SEARS TELEGAME, ATARI 400/800, COMMODORE VIC.*

If your joysticks are like most, you can't feel when you have made a move. You only see it on the screen, when it's too late. Suncom has a solution. TAC-2. Totally Accurate Controller — 2 fire buttons.

With its longer shaft, arcade style ball top, and exclusive Suncom internal construction, TAC-2 gives you that extra control...you can feel absolutely, positively, for sure, exactly when you have made a move. And with its 2 fire buttons, TAC-2 is equally fair to left handers and right handers.

TAC-2 comes with Suncom's famous 2 year warranty. And it comes with something else. Totally Accurate Control.

JOY-SENSOR™
TOUCH SENSITIVE JOYSTICK CONTROLLER FOR ATARI GAME, SEARS TELEGAME, ATARI 400/800, COMMODORE VIC.*

Our engineering staff has spent months creating, designing and refining the Joy-Sensor. The digitally simulated joystick controller with no stick, to bring you just the right combination of control and responsiveness. Now, the slightest touch is all that it takes to effect control movements on your game screen. Rock your finger or thumb back and forth, and it seems like Joy-Sensor has read your mind. Moves are executed much faster because there is no stick to move, no resistance to movement.

Your ships will fly across the screen as easily as light flies through space. Your laser rays will fire exactly when you want them to. You [illegible] never go back to your old joystick again.

Suncom Incorporated
650E Anthony Trail, Northbrook, IL 60062

Starfighter™ for apple
JOYSTICK CONTROLLER FOR APPLE COMPUTER*

You own an Apple Computer. You probably use it for entertainment and to play games. We think that you deserve a controller that is as up and keeping with new technology as your computer. So we designed one. From scratch. Brand new internally. Starfighter. For Apple.

Starfighter for Apple has many of its Atari-compatible counterpart's exterior physical characteristics. Round-cornered and smooth, it won't fatigue you over those long playing sessions. And internally, its new, advanced design gives you a kind of feel and response during game play that you have never experienced before.

Of course, Starfighter for Apple comes with a 2 year warranty. From your friends at Suncom.

*Products and trademarks of Atari, Sears, Commodore, Apple Computer.

See us at Summer CES
Booth 3531

PERSONAL ELECTRONICS

VIDEOGAMES

ACTION

RABBIT TRANSIT, Starpath. Atari VCS-compatible with Supercharger. Available third quarter.

SQUISH 'EM, Sirius Software. Atari VCS-, ColecoVision-compatible. Available now. Suggested retail $39.95.

STARGUNNER, Telesys. Atari VCS-compatible. Available third quarter.

SWEAT, Starpath. Atari VCS-compatible with Supercharger. Available third quarter.

TURMOIL, Sirius Software. ColecoVision-compatible. Available this month. Suggested retail $39.95.

COMPUTER GAMES

ACTION

ASTRO PATROL, Synapse. Commodore VIC 20-compatible. Available now. Suggested retail $19.95.

BLUE MAX, Synapse. Atari-compatible. Available now.

DIMENSION X, Synapse. Atari-compatible. Available now.

GRIDRUNNER, HES. Atari 400/800-, Commodore VIC 20- and 64-compatible. Available now. Suggested retail $39.95.

EPYX
JUMPMAN
EPYX
EPYX
Fun with Music
EPYX
Dragon Rider
EPYX
EPYX
PIT STOP
Temple of Apshai

JUMPMAN, Epyx. Atari-, Commodore 64-compatible. Available now.

PITSTOP, Epyx. Atari 400/800-, Commodore 64-compatible. Available third quarter.

REPTON, Sirius. Apple IIe-, Atari 800/1200-, Commodore 64-compatible. Available on disk this month.

SALMON RUN, Synapse. Commodore VIC 20-compatible. Available now. Suggested retail $19.95.

SNOWBOUND, DataMost. Apple IIe-compatible on diskette. Available now.

SPIDER CITY, Sirius. Atari-, Commodore VIC 20-compatible. Available on cartridge this month.

SQUEEZE, Synapse. Commodore VIC 20-compatible. Available now. Suggested retail $19.95.

SQUISH 'EM, Sirius. Atari-, Commodore 64- and VIC 20-compatible. Available this month.

THE NEW HUMAN FLY, Datamost. Apple IIe-compatible on diskette. Available now.

LEARNING

FUN WITH MUSIC, Epyx. Atari-compatible. Available in July.

TYPE ATTACK, Sirius. Apple IIe-, Atari 800/1200-, Commodore VIC 20- and 64-compatible. Available now.

SPORTS

ALL-STAR BASEBALL, Epyx. Atari 400/800-, Commodore 64-compatible. Available third quarter.

STRATEGY

DRAGON RIDER, Epyx. Atari 400/800-, Commodore 64-compatible. Available third quarter.

GATEWAY TO APSHAI, Epyx. Atari 400/800-, Commodore 64-compatible. Available this month.

PSI WARRIOR, Epyx. Atari 400/800-, Commodore 64-compatible. Available in August.

OIL BARONS, Epyx. IBM PC- and Apple IIe-compatible. Available third quarter.

SHADOW WORLD, Synapse. Atari-compatible. Available now.

Merchandising's TOP 10 TEN

. . . in videogame software

	Last month's position	Months on chart
1. **Centipede** *(Atari)*	1	3
2. **Ms. Pac-Man** *(Atari)*	2	4
3. **River Raid** *(Activision)*	3	4
4. **Zaxxon** *(Coleco)*	7	2
5. **Pac-Man** *(Atari)*	4	3
6. **Pitfall** *(Activision)*	8	4
7. **Frogger** *(Parker Bros.)*	5	4
8. **Donkey Kong Jr.** *(Coleco)*	—	1
9. **Gorf** *(CBS Electronics)*	—	1
10. **Donkey Kong** *(Coleco)*	6	4

C4200-1 7/20/83

A GRALLA PUBLICATION

JULY 1983

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS

A CATEGORY IS BORN

Home Healthcare

Four major forces describe their housewares philosophy

Sur La Table

PEOPLES DRUG
your family pharmacy

BEST

Maas Brothers

Summer CES Report:

- 'System' is the buzzword in merchandising computers
- Video shortages send dealers scurrying for supplies
- Videogame makers cross over the computer line
- Manufacturers move to solve cordless phone problems
- Software shortage limits distribution of CD players
- Cut-rate peripherals add sizzle to computer market

Vendors announce big plans for little microwave ovens

Merchandising

FOR OVER 55,700 RETAILERS & WHOLESALERS

July 1983
Our 76th Year
Vol. 8, No. 7

Cover Stories

Merchandising
A CATEGORY IS BORN
Home Healthcare

Merchandising Home Healthcare

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37 Doctors endorse some healthcare products
37 Sears scores a major success with 'Home Health Care' section
38 Retailers who handle healthcare report good turns, high margins, strong growth in the category.
39 Follow these 10 tips to succeed in healthcare
40 Vendors and consumers are trading up to more expensive high-end air purifiers this year
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56 Vendors plan to limit CD player distribution in 1983 due to expected software shortage
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65 Computer systems are challenging reigning standalone CPU's
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Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

	Last month's position	Months on chart
1. **First Blood** *(Thorn EMI)*	2	2
2. **Sophie's Choice** *(CBS/Fox)*	—	1
3. **The Toy** *(RCA/Columbia)*	—	1
4. **My Favorite Year** *(MGM/UA)*	—	1
5. **Best Friends** *(Warner)*	—	1
6. **Lords of Discipline** *(Paramount)*	—	1
7. **An Officer and a Gentleman** *(Paramount)* **GP**	1	5
8. **Frances** *(Thorn EMI)*	—	1
9. **Airplane II: The Sequel** *(Paramount)* **G**	5	2
10. **Lovesick** *(Warner)*	—	1
11. **Road Warrior** *(Warner)* **G**	3	5
12. **Still of the Night** *(CBS/Fox)*	—	1
13. **VideoDrome** *(MCA)*	23	2
14. **Blade Runner** *(Embassy)* **GP**	6	4
15. **Creepshow** *(Warner)*	4	3
16. **Kiss Me Goodbye** *(CBS/Fox)*	—	1
17. **Time Rider** *(Pacific Arts)*	—	1
18. **Poltergeist** *(MGM/UA)* **GPI**	13	7
19. **Secret of Nimh** *(MGM/UA)*	12	3
20. **The Boat (Das Boot)** *(RCA/Columbia)*	7	6
21. **I, The Jury** *(CBS/Fox)*	—	1
22. **Jane Fonda's Workout** *(Karl Video)* **GPI**	16	11
23. **Tron** *(Walt Disney)* **I**	30	7
24. **Trail of the Pink Panther** *(CBS/Fox)*	—	1
25. **Playboy Video Vol. II** *(CBS/Fox)*	11	3
26. **Rocky III** *(CBS/Fox)* **GI**	10	7
27. **Tex** *(Walt Disney)*	8	2
28. **Thunderbolt and Lightfoot** *(CBS/Fox)*	—	1
29. **The World According to Garp** *(Warner)*	21	6
30. **Star Wars** *(CBS/Fox)* **I**	—	8

Top 10 in videocassette sales

1. **Jane Fonda's Workout** *(Karl Video)* **GPI**	1	12
2. **An Officer and a Gentleman** *(Paramount)* **GP**	2	5
3. **Airplane II: The Sequel** *(Paramount)* **G**	5	2
4. **Best Friends** *(Warner)*	—	1
5. **First Blood** *(Thorm EMI)*	6	2
6. **The Toy** *(RCA/Columbia)*	—	1
7. **Blade Runner** *(Embassy)* **GP**	3	4
8. **Lovesick** *(Warner)*	—	1
9. **Alice in Wonderland** *(Walt Disney)*	—	1
10. **Grease** *(Paramount)* **GP**	1	1

Top 5 in CED videodisc sales

1. **First Blood** *(Thorn EMI)*	3	2
2. **An Officer and a Gentleman** *(Paramount)* **GP**	1	4
3. **Airplane II: The Sequel** *(Paramount)* **G**	—	1
4. **Playboy Video Vol. II** *(CBS/Fox)*	—	1
5. **Body Heat** *(RCA/Columbia)*	2	2

Top 5 in laserdisc sales

1. **Blade Runner** *(Embassy)* **GP**	3	4
2. **An Officer and a Gentleman** *(Paramount)* **GP**	1	4
3. **Superman** *(Warner)* **G**	—	1
4. **Playboy Video Vol. II** *(CBS/Fox)*	—	1
5. **The Thing** *(MCA)* **G**	—	1

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P —Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I —Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

CBS/FOX

ELMER GANTRY Burt Lancaster stars as a small town preacher whose promises of eternal salvation should come complete with a caveat. *146 minutes C: $59.98.*

RUN SILENT, RUN DEEP Clark Gable and Burt Lancaster star as a submarine commander (Gable) and his lieutenant (Lancaster) in this explosive WW II drama set beneath the surface of Tokyo Bay. For those who enjoyed Das Boot. *93 minutes C: $59.98.*

DISNEY

TRENCHCOAT Margot Kidder is an aspiring mystery writer who unwittingly becomes involved in a series of murders while researching a novel in Malta. She falls in love with Robert Hays, playing a "mysterious American." *C: $69.95.*

MGM/UA

KELLY'S HEROES (1970) This World War II comedy stars Clint Eastwood as the leader of a band of soldiers who set out to rob a bank behind enemy lines. Also with Telly Savalas, Don Rickles, Donald Sutherland and Carroll O'Connor. *Color PG 143 minutes Stereo C: $69.95.*

THE RISE AND FALL OF THE THIRD REICH (1968) A pictorial record of Adolf Hitler based on the best seller by William L. Shirer. *Color and B/W 120 minutes C: $59.95.*

OPA

THE JOY OF RELAXATION (1983) Two complete relaxation routines, under the direction of Dr. Art Ulene, teach viewers how to rid their bodies and minds of stress as well as tension. Designed to be used over and over again. *Color LV: $29.95.*

PACIFIC ARTS

THE COMMITTEE Pre-SNL (Saturday Night Live), The Committee, during the '60s, was a group of very talented comedians whose short, punchy satirical bits also contained an underlying meaningfulness. The Committee was also school for such current stars as Howard Hessman (WKRP in Cincinnati), Peter Bonerz (The Bob Newhart Show) and Barbara Bosson (Hill Street Blues). *Color NR 88 minutes C: $59.95.*

MR. MIKE'S MONDO VIDEO (1979) Banned, as they say, from network television, this work by Michael O'Donoghue has been critically hailed (by those few critics lucky enough to have seen it) as a work of comic genius. It stars Dan Aykroyd, Jane Curtin, Carrie Fisher, Teri Garr, Joan Hackett, Debbie Harry, Margot Kidder, Bill Murray and a lot of other funny people. Sid Vicious, too. *75 minutes C: $59.95.*

RCA/COLUMBIA

GOLDEN BOY (1939) William Holden trades in his violin and his dreams of becoming a concert performer to instead enter the ring as a prize fighter. *B/W.*

KING OF COMEDY (1983) Robert DeNiro, demented fan of a famous late-night talk show host, cannot crack into show business. So he kidnaps the talk show host, played by Jerry Lewis. The ransom: a guest appearance on the show.

LAWRENCE OF ARABIA (1962) An original screen epic and winner of seven Academy Awards. Starring Peter O'Toole, Omar Sharif, Alec Guiness and Anthony Quinn. *Stereo.*

ONE FROM THE HEART (1982) Francis Ford Coppola, rather than use the original, decided to build a replica of downtown Las Vegas for this musical fantasy and erotic love story. Critics thought the original Vegas was tacky enough. *R. Stereo.*

THORN EMI

THE MISSIONARY (1983) Michael Palin, best known as a member of the Monty Python troupe, stars in this humorous tale of a missionary doing his darndest to redeem the lost souls of a mission full of fallen women. *Color 85 minutes C: $69.95.*

SHEENA EASTON—LIVE AT THE PALACE, HOLLYWOOD (1982) For your eyes only, Sheena Easton performs in concert. *Color 60 minutes C: $49.95.*

Compact disc players may sell for $500 when second generation product debuts

By Jenni Stern, field editor

CHICAGO—Talk of a second generation of compact disc (CD) players is already coloring the speech of audio industry executives, although many have yet to ship first generation product.

By most accounts, these second generation units will feature more programmability and will cost less due to more efficient production. Prices as low as $500 (or in one case $399) were predicted by some executives for next January. Others half promised, half wished that such price drops wouldn't come so soon.

'Consumer model' due

Yamaha is one company promising a second generation player for January. According to Don Palmquist, executive vice president, the company's current model, the CD-1—at $1,395, one of the highest priced units on the market—will be available in "very limited quantity. In fact," he said, "we have already sold all the models we had available through December."

What's left of this year's supply are demonstration models which will be shipped to those of Yamaha's 395 dealers who requested one.

What Palmquist called Yamaha's "consumer model" CD player will make its debut at the January CES. It will be available in large quantities at a suggested retail price "well under $1,000," Palmquist said.

Magnavox will begin shipping its second generation players in August, according to A.J. Menozzi, director of audio sales. The players, models 2020 and 3030, will be styled and priced the same as the firm's 2000 and 3000 players, but will feature digital readout and rapid track access, he said.

One of last month's big surprises was Sony's introduction of its second player. With a suggested retail price of $1,500, the new CDP-701ES is positioned above, not below, the firm's first player, the CDP-101.

Although Sony did not have a booth on the CES floor, it unveiled its new lines in a Chicago hotel suite. The CDP-701ES, shown along with the firm's new ES series of components, is 17-in. wide—to match more components—and features more programmability and a better analog filter than the CDP-101, said John Briesch, vice president of audio marketing.

He said Sony's goal in designing the new player was to present "the state of the art in digital audio."

Dual, whose U.S. distribution is being handled by Adcom, showed what Adcom president Newton Chanin described as a second generation player. He said the improvements in the Dual player over the first generation are "lower distortion" and an ability to access material programmed at 30-second intervals.

The firm will probably ship the player in September at an as-yet-to-be-determined suggested retail price. "It will be competitive," Chanin noted, and will depend on price levels for other CD players at that time.

$500 price point?

What will happen to pricing of the players next year was a subject for debate at the CES. Most suppliers do not expect to see any price erosion in the category this year, unless an oversupply of players produces an extreme shortage of software (*see accompanying article, page 56*).

However, some expect to see some surprisingly low-priced models emerging early next year. Warned Bill Wyllie, chairman of the board of BSR, which plans to sit back and watch the digital market for awhile, "There's going to be a lot of blood on the wall when this thing develops." He predicted "dramatic price action" when CD becomes a mass market item.

Some dramatic price predictions came from Chanin, David Karron, senior vice president of sales, Fisher Corp., and Jim Maynard, vice president, audio, Hitachi. Both Chanin and Karron predicted someone would bring out a $500 player by the next CES. Maynard predicted a price of "$599, maybe as low as $399," by the first of January.

Others had more conservative predictions.

Kevin Proctor, national marketing manager, sound, Toshiba, dismissed the possibility of a $500 player. "You can't just come out with a workhorse," he said. "These players need features in order to sell." He predicted the "workhorse" would emerge in the third or fourth generation.

Onkyo vice president of sales and marketing Mark Friedman also said he didn't think there would be a second generation player next year because of production costs. He predicted a $700 to $800 price point in 1984 and a $300 price point in three years.

George Meyer, national product manager, hifi and home electronics divisions, JVC, explained his company's projections for CD player pricing over the next four years. Assuming $1,000 as the starting point for pricing in Japan last year, JVC expects to see price points averaging $800 this year, $600 in 1984, $500 in '85, $400 in '86 and $375 in '87.

When asked why JVC, which is shipping a $1,000 player in the second half, was not on target with its pricing, Meyer explained that the firm was originally not a proponent of CD and had to rush to get this player on the market.

"But by the time we get to the second generation, JVC will be right on schedule with features and pricing," he said.

SONY SURPRISED the industry with a second CD player priced higher than its first. At $1,500 suggested retail, the unit represents "the state of the art in digital audio," says John Briesch vice president of audio marketing.

Vendors announce compact disc player rollout plans

(*Continued from page 56*)

CD player, the AD850, in a matched, racked system, model 4900B, which carries a suggested retail price of $2,800. David Karron, senior vice president of sales, said supplies of the system would be "small compared to normal Fisher distribution channels." The firm will also begin marketing the player separately, he said.

Hitachi: Hitachi started shipping its CD player in April, said Jim Maynard, vice president, audio. Some 30 to 40 players were shipped to each dealer, he said, and most are now backordered. This situation should be alleviated this month. Although the player was made available to all Hitachi dealers, some did not order them because they are skeptical about the software shortage, Maynard said.

JVC: The firm's U.S. operation will have "a limited allocation of goods available through January," said Victor Pacor, national planning manager, hifi division. "Because of that we will limit the number of dealers that will handle them. We will try to maintain continuity in a few accounts rather than give each dealer one or two."

Kenwood: "We have DAD merchandise and will probably launch from the second generation," said Mark Hasegawa, president. He said the company has chosen to "forget about the first generation" because of the software problem.

Magnavox: The firm was preparing to receive its second shipment of players last month after conducting its preview launch in 26 department stores. A.J. Menozzi, director of audio sales, said the preview had gone "spectacularly well—the goal of awareness is being achieved." He warned, however, that the number of players in the second shipment would not be large. In the fall, the firm will expand its CD distribution to "a couple hundred total dealers," he said, including more department stores, some hifi stores and some radio/tape/audio accounts. Fall will also bring Magnavox's second generation players (*see accompanying article, above*).

Marantz: Model CD73, carrying a suggested retail price of $999. will be shipped in September "when the software is ready," according to Bob Fried, vice president of marketing. He said the firm sees CD as its entree into department stores located in 50 major U.S. markets.

Onkyo: "We've taken our player to two shows and shown it twice," said vice president of sales and marketing Mark Friedman. However, he said, the player is still not available in the U.S., "because production is being sucked up in Japan." There should be enough for U.S. distribution in November, he added.

Pioneer: Pioneer, which displayed a Japanese model CD player at the show, will introduce its first model to the U.S. in January, said Jack Doyle, president. The unit will be a second generation player and will list for around $800.

Sansui: Sansui will begin selling its CD player at the end of August, said Tom Yoda, vice president of marketing and sales, but will have limited numbers available due to the shortage of software. The player lists for $999.

Sanyo: Sanyo is packaging five free discs in with its DAD 8 player, which will be distributed through the firm's normal retail channels, said Art Westburg, senior vice president, sales and marketing, consumer electronics division. Although Sanyo displayed the player DAD 8 in two matched, racked systems, Westburg said the firm had no plans to package it in a system, but that its dealers had expressed interest in doing it themselves.

Sharp: Limited quantities of Sharp's DX-3 player will be delivered this summer, according to Thomas Paonesson, marketing manager, audio. Suggested retail price is $950.

Sony: By the CES, Sony had expanded distribution of its CDP-101 player to 120 accounts and was aiming for 150 by the end of June, said John Briesch, vice president of audio marketing. He said that distribution will continue to expand through 1984.

Technics: The firm will limit the supply of its SLP-10 player through the end of the year, said Paul Foschino, product manager, consumer electronics division. Initial distribution (beginning this summer) will be through 75 to 100 dealers, primarily small family accounts with some large audio chains. That number will not grow, he said, until Technics has a second player to sell.

Toshiba: Toshiba's player, priced at $1,000, will be available this month for around 25 accounts. Kevin Proctor, national marketing manager, sound, said, "We are walking slowly until the software catches up."

Yamaha: Yamaha has already sold all the CD-1 players it had available through December, said Don Palmquist, executive vice president. He said the firm will bring out a lower-priced player—in greater quantities—in January.

C4200-1A

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

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User groups yield aid and profit

Teletext: on the air in Cincinnati

Software takes off in new directions

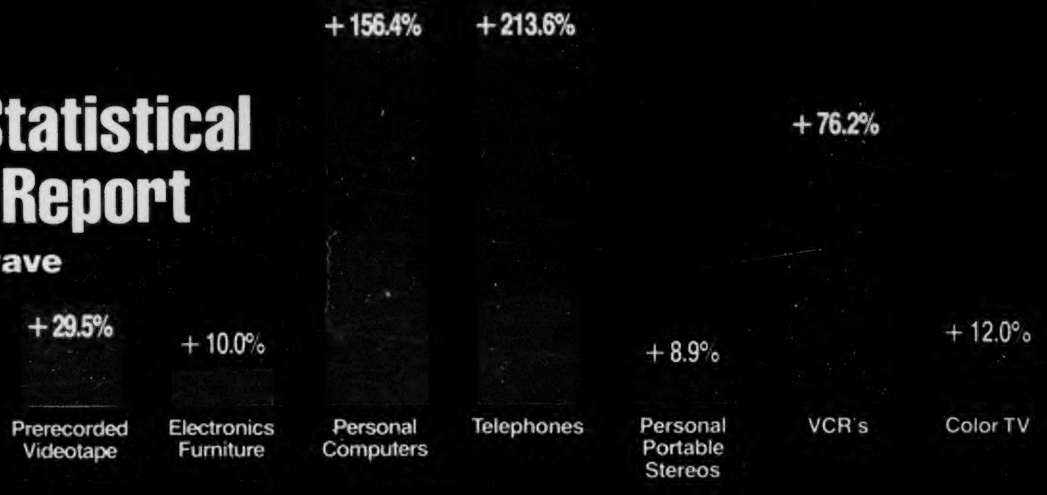
Getaway weekend offers sun, fun, computers

COMPUTERS

Hardware Show unveils the latest in air treatment, grills and home security

9th Annual Electronics Statistical & Marketing Report

...the industry rides a wave



Merchandising

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9th Annual Electronics Statistical & Marketing Report

Many Consumer Electronics Products Are Expected To Ride A Wave Of Growth In '83

The Consumer Electronics Industry is riding a wave that is heading it straight for a record-breaking year. When the books are closed on Dec. 31, they should show new highs for the numbers of personal computers, VCR's, color TV's, telephones and other products shipped to retailers.

In this Ninth Annual Electronics Statistical & Marketing Report, *Merchandising* turns to its sources in the industry to help make predictions for the full year 1983. And this year, those predictions are a pleasure to report.

This stands in contrast to last year's survey. Then, the nation was still mired in the worst recession since World War II, and the consumer electronics industry was feeling the effects. Only recently introduced products that had captured the public's imagination (videogames and computers, of course, stand out) were expected to generate significant increases in 1982. Many products were expected to lose ground.

Our March issue, which reported on actual results for 1982, confirmed most of the projections made last August. It was not the best of years. But 1983 looks much better. For example:

VIDEO: Color TV's are expected to make a 12 percent gain in shipments this year compared with a one percent gain in 1982. Projection TV's should produce a 29.9 percent increase as opposed to a 3.3 percent decline. VCR's are trucking along at a rate that will produce a 76.2 percent jump, up from 52.6 percent the year before. Videodisc players are holding about even: They are expected to show a 48.8 percent increase in shipments compared with a 50 percent jump last year. Not growing quite as fast are video cameras, now expected to grow by 43.3 percent as opposed to a 52.7 percent boost in 1982. And losing ground are black-and-white TV's, projected to be down 6.2 percent this year; they were up 3.8 percent in 1982.

ELECTRONICS FURNITURE: This category, a relatively young one, has turned in solid growth for two straight years. It is expected to register a 10 percent jump in shipments this year on top of 11.7 percent growth reported in 1982. Biggest gainers should be home computer tables, expected to be up 166.7 percent this year compared with 200 percent in 1982, and units made to hold a TV, a VCR and a videodisc player, projected to jump 45.3 percent in 1983 as opposed to 18 percent last year.

PERSONAL ELECTRONICS: This is shaping up as the standout category of the year, in many respects. First of all, personal computers are expected to turn in a 156.4 percent jump in shipments by the end of the year. This comes on top of a 160 percent increase in 1982. Telephones should be up 213.6 percent compared with a 43.3 percent increase last year. Phone answerers are projected to grow 44.1 percent this year, up from a 24.5 percent increase in shipments in 1982. Not growing quite as fast as in the past are videogame shipments. They are expected to increase 2.4 percent this year, where in 1982 they generated a 63.6 percent increase. Videogame cartridges, up 69.4 percent last year, should show a 26.2 percent jump in 1983. Meanwhile, calculator shipments are projected to decline one percent this year compared with a 2.5 percent increase the year before. Electronic games of the non-video variety are projected to decrease 8.6 percent this year; in 1982, they registered a 15.1 percent decline. Finally, radar detectors should turn in a 12 percent jump in shipments compared with a 17.4 percent increase in 1982.

AUDIO: Generally the category of lowest growth this year, audio, nevertheless, has its star products. Radio/cassette combinations are expected to generate a six percent increase in shipments this year compared with a 2.8 percent jump in 1982. In autosound, indash cassette/radio combos should show an 8.3 percent jump on top of a 14.8 percent increase the previous year. Also, autosound equalizers should produce a 13.9 percent increase on top of a 7.8 percent jump the previous year. For home audio, equalizers are projected to produce a 20.6 percent increase this year on top of a 3.2 percent jump last year. And cassette decks should turn in a 10 percent jump in shipments compared with an 11.5 percent increase in 1982.

Looking at audio categories as a whole, however, the results are somewhat different. Hifi components will register only a 1.8 percent increase in shipments when the year is ended. However, this compares with a decrease of about three percent the previous year. Compact systems should generate a 7.8 percent drop as opposed to a drop of about 17 percent in 1982. Overall, portable tape products should show a 2.5 percent increase compared with a relatively flat year in 1982. Autosound shipments are expected to jump 1.1 percent; they climbed 4.6 percent the previous year. And radios, taken as a category, are expected to climb 8.8 percent this year compared with a five percent decline in 1982.

SOFTWARE: Blank videotape is projected to show a 32.1 percent jump in shipments when the year is ended. This compares with a 43.8 percent increase for 1982. Meanwhile, prerecorded videotape should show a jump of 29.5 percent compared with that of 25.9 percent the previous year. Videodisc shipments are projected to increase 66.9 percent this year, the first time figures have been gathered on this product. Meanwhile, in audio, total shipments of blank tape should be up 1.3 percent, compared with 2.2 percent in 1982. Taken on its own, however, the blank audiocassette is expected to show a 3.1 percent jump in shipments this year on top of a 3.6 percent increase the year before.

So all in all, 1983 is shaping up as a year of strength, a year of growth that the consumer electronics industry will be able to build upon as the decade progresses.

In March 1984, *Merchandising* will take another look at 1983, charting the actual number of products shipped this year. Let's hope these projections are at least met, if not surpassed, when that, our 62nd annual report, is released.

—Lee Rath
editor

How We Did It

Statistical matter for this survey was compiled by Selma Book, market research manager, and Matea Esguerra, research associate.

The 1983 estimates in this report are based on information provided by leading suppliers, industry associations, U.S. government reports and other industry sources. The data was collected via mailed questionnaires, telephone and personal interviews and library research.

Following the collection of the information from cooperating sources, the "expected" 1983 vs. 1982 percent changes were weighted by the judgment and expertise of *Merchandising's* researchers and editors. The "weighted" averages of these changes were then applied to the information reported for 1982 in *Merchandising's* issue of March 1983.

Since no company was requested to report on its own performance, the estimates represented weighted consensus, rather than a "census," of industrywide projections for full-year 1983 as reported in June of that year. "Shipments" represent the estimated number of units that are expected to be available for sale in the U.S. (whether imported or domestically manufactured). Exports and beginning-year inventories of wholesalers and retailers are excluded from these estimates for 1983.

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1983 Is Shaping Up As A Record-Breaking Year For The Video Industry

This is undoubtedly going to go down as a breakthrough year in the video industry. The VCR, which has shown steady gains since its introduction as a mass-market item, is truly taking off. And as it soars, it's helping to take color TV's themselves to new heights.

Also breaking old records is the projection TV. And even the videodisc, which still has not found its niche, is continuing to increase in shipments.

At the center of all this growth stands the workhorse of the video industry, the color TV. At press time, manufacturers predicted that more than 12.7 million of them would be shipped to retailers by the end of the year, an increase of 12 percent over 1982.

The strongest growth comes in the largest (20-in. and over) and smallest (13-in. and under) models. Why is this? Well, the larger sets are benefitting from the video revolution. No longer are consumers slaves to the three major networks. They are now presented with a veritable smorgasbord of video choices.

These include basic cable services, pay cable programming (such as HBO), videocassettes, videodiscs and, in some instances, programs being received on the satellite earth station in the back yard. People with this kind of choice and quality are going to want to watch it on the best set possible. Hence, they are opting for the 20-in. and over models.

On the other hand, as the computer moves into the home, people are finding that they don't necessarily want to connect it to the main set. Sitting in the middle of the family room is not the ideal way to practice your BASIC, or even balance the checkbook. So, more often than not, a separate, smaller color TV is purchased to function with the computer.

Then there are the videogames. Parents, tired of having Pac-Man as a permanent guest in the living room, are buying the kids a small set of their own and sending them "pac-ing" back to the bedroom.

These two factors are boosting sales of the smaller sets, those that are 13 in. and under. And sales of units of this size can be expected to grow as the computer revolution continues.

At the same time, the video revolution is spawning more changes in the sets themselves. More than 37 percent of all color sets shipped this year are expected to be equipped with remote controls, giving the consumer command of his many video sources from any seat in the house. More and more of the units, 64 percent to be exact, are also coming cable-ready, eliminating the need for converter boxes in most areas, except where pay TV is in use.

In addition, with all this high-tech equipment, consumers are opting for cleaner styling. In console TV, modern cabinets are showing virtually all the growth this year and are expected to account for 41 percent of all units shipped. French provincial, losing share, is definitely not where it's at in 1983.

As for who's selling all those color TV's, appliance/TV stores continue to represent the bulk of the market, even though they are losing some ground this year. Picking it

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COLOR TV TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Color TV, total	12,744,000	11,377,000	+ 12.0
Portable & Table	10,144,000	8,928,000	+ 13.6
13 in. & under	2,851,000	2,272,000	+ 25.5
14 to 17 in.	540,000	619,000	− 12.8
18 to 19 in.	6,288,000	5,696,000	+ 10.4
20 in. & over	465,000	341,000	+ 36.4
Console & Combo	2,600,000	2,449,000	+ 6.2
23 in.	158,000	209,000	− 24.4
25 in.	2,442,000	2,240,000	+ 9.0

COLOR TV PERCENT SHIPPED WITH REMOTE CONTROL DEVICES

1983	1982
37.7%	35.6%

COLOR TV PERCENT SHIPPED CABLE-READY

1983	1982
64.0%	52.2%

CONSOLE COLOR TV SALES BY FURNITURE STYLE

	1983	1982
Early American	25%	25%
French Provincial	2%	3%
Mediterranean	26%	29%
Modern (contemporary)	41%	38%
Other	6%	5%

BLACK & WHITE TV TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Black & White TV, total	5,392,000	5,750,000	− 6.2
10 in. & under	1,310,000	1,226,000	+ 6.9
11 to 12 in.	3,823,000	4,128,000	− 7.4
Over 12 in.	259,000	396,000	− 34.6

COLOR TV SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	45%	47%
Catalog Chain (Sears, Penneys, etc.)	14%	14%
Catalog Showroom	2%	2%
Department Store	14%	14%
Discount Store	10%	10%
Furniture Store	7%	6%
Video Specialty Store	5%	4%
Other	3%	3%

BLACK & WHITE TV PERCENT SHIPPED WITH BATTERY-POWERED CAPABILITY

1983	1982
29.3%	28.1%

BLACK & WHITE TV SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	25%	25%
Catalog Chain (Sears, Penneys, etc.)	21%	19%
Catalog Showroom	4%	5%
Department Store	16%	16%
Discount Store	25%	26%
Furniture Store	3%	4%
Other	6%	5%

PROJECTION TV TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Projection TV	152,000	117,000	+ 29.9

PROJECTION TV SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	17%	18%
Audio/Hifi Specialty Store	27%	25%
Catalog Showroom	1%	1%
Department Store	9%	9%
Discount Store	2%	2%
Furniture Store	2%	2%
Video Specialty Store	40%	41%
Other	2%	2%

VIDEOCASSETTE RECORDER TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Videocassette recorders, total	3,576,000	2,030,000	+ 76.2
Beta	850,000	490,000	+ 73.5
VHS	2,726,000	1,540,000	+ 77.0

VIDEOCASSETTE RECORDER PERCENT SHIPPED WITH STEREO CAPABILITY

1983	1982
8%	4%

VIDEODISC PLAYER TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Videodisc Players, total	357,000	240,000	+ 48.8
Laser	44,000	30,000	+ 46.7
CED	313,000	210,000	+ 49.0

VIDEO CAMERA TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Video Cameras, total	407,000	284,000	+ 43.3
Color	400,000	274,000	+ 46.0
Black & White	7,000	10,000	− 30.0

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up are furniture stores and video specialty stores, according to the manufacturers polled.

Black & White: Off

Black-and-white TV is not faring nearly as well as its color counterpart. In fact, overall shipments are expected to decline this year. Only the smallest units, 10-in. and under, are showing any growth.

The fact that battery-powered models are also picking up would seem to indicate that consumers are turning to black and white, for the most part, as an extremely portable option to be taken with them wherever they go, much like a radio. Watch for this area to grow in the years ahead as breakthrough products such as the Sony Watchman become more prevalent.

Meanwhile, the type of retailers selling black-and-white sets has changed very little. Picking up a percentage point or two are catalog chains and other unidentified dealers. Losing them are catalog showrooms, discount stores and furniture stores.

Rapidly gaining steam this year is the still-young projection TV market. Some 152,000 units are expected to be shipped this year, an increase of 29.9 percent over 1982. High price points appear not to deter consumers who really want this sort of product. And improvements in picture quality and more compact cabinets are helping drive the market upward.

Not surprisingly, most of these units are being sold by stores that can deliver, set up and service a product of such size. Video specialty stores are expected to capture 40 percent of the market this year and audio/hifi specialty stores, 27 percent. They are followed by appliance/TV stores with 17 percent. Other types of retailers linger far behind, and probably will continue to do so for many years to come where this product is concerned.

VCR Shipments Skyrocket

The big story in video this year is in VCR's. Manufacturers are predicting that a record-breaking number of units—close to 3.6 million—will be shipped to dealers, an increase of 76.2 percent. Apparently the product has reached the right price and level of saturation to turn it into a true mass-market item.

VHS continues to maintain its lead over the Beta format. It is expected to make up about 76 percent of the market this year, compared to Beta's roughly 24 percent, according to the manufacturers polled. Stereo VCR's, however, are becoming more popular with about eight percent of the units shipped this year so equipped compared with four percent last year. With the introduction of Beta Hifi this spring, perhaps this format will gain something of an edge in the months ahead, at least among the audio-conscious market, before VHS Hifi gets going.

Among VCR retailers, we find audio/hifi specialty stores gaining (another bow to the stereo feature) along with catalog chains and discount stores. Losing sales are appliance/TV stores and other unidentified dealers.

Riding the wave of VCR sales is the video camera, with shipments of color units expected to hit 407,000 units this year, a 46 percent increase.

And videodisc players are also gaining ground. Although vendors say they should show a growth rate of 48.8 percent this year, a look at the numbers reveals that a still comparatively small 357,000 are expected to be shipped. CED units are predicted to account for about 88 percent of the market, laser models, 12 percent.

As for dealers, appliance/TV stores seem to be taking best to the product. One third of the videodisc players sold this year are expected to pass through their doors.

VIDEODISC PLAYER SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	33%	36%
Audio/Hifi Specialty Store	12%	11%
Catalog Chain (Sears, Penneys, etc.)	10%	10%
Catalog Showroom	3%	2%
Department Store	12%	12%
Discount Store	6%	7%
Video Specialty Store	23%	21%
Other	1%	1%

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VIDEOCASSETTE RECORDER SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	29%	31%
Audio/Hifi Specialty Store	12%	10%
Catalog Chain (Sears, Penneys, etc.)	10%	9%
Catalog Showroom	3%	3%
Department Store	11%	11%
Discount Store	10%	9%
Video Specialty Store	22%	22%
Other	3%	5%

Computer, Video Equipment Units Should Register Gains In Electronics Furniture

As the hardware goes, so follows the furniture.

That appears to be the rule of thumb guiding the electronics furniture market in this, the second year that *Merchandising* has gathered statistics on this rapidly growing category.

Overall, shipments to retailers are expected to climb 10 percent this year, according to the manufacturers, with better than five million units shipped.

But where is the strength? Most of the growth, not surprisingly, is falling in the home computer table area. Here, more than 400,000 units are expected to be shipped in 1983, almost a 167 percent increase over the 150,000 pieces shipped last year.

Apparently, home computer owners are catching on to the fact that once they get their latest electronics acquisition home, they have to have somewhere to put it—especially as they start adding disk drives, monitors, printers, modems and all the other paraphernalia that goes with home computing.

Also picking up are shipments of furniture designed to hold a TV, a VCR and even a videodisc player. It looks like even in the video arena consumers are starting to search for places to stash all the hardware and software that they are so rapidly accumulating.

Audio/video centers are picking up steam as well. The long-awaited marriage of audio and video may, at long last, be reaching the consumer level with significant force. This piece of furniture will be one to watch in the months ahead as stereo-equipped television broadcasting gets underway in the U.S. It can be expected that an increasing number of consumers are going to want their audio and video equipment conveniently grouped together at that time.

Also showing gains in electronics furniture are basic TV carts and microwave oven carts.

The only product expected to decline is the stereo cart. And shipments of furniture designed to hold audio components are expected to be flat.

Computer Stores Jump In

Not unexpectedly, it's the computer specialty store and video specialty store that are showing growth this year in the amount of electronics furniture sold. That is where many consumers are turning to buy computers and video equipment that are most in need of some sort of furniture. Catalog showrooms also are picking up some sales.

This growth, however, comes at the expense of appliance/TV stores, department stores and discount stores, all losing ground in this very profitable category.

ELECTRONICS FURNITURE TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Electronics Furniture, total	5,093,000	4,628,000	+ 10
Audio (components)	820,000	820,000	0
Audio/Video Centers	165,000	145,000	+ 13.8
Home Computer Tables	400,000	150,000	+ 166.7
Microwave Oven Carts	642,000	611,000	+ 5.1
Stereo Carts	110,000	132,000	− 16.7
Television Carts	2,300,000	2,172,000	+ 5.9
TV/VCR/ Videodisc Player	481,000	331,000	+ 45.3
Videogame Carts	175,000	267,000	− 34.5

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ELECTRONICS FURNITURE

ELECTRONICS FURNITURE SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	25%	27%
Audio/Hifi Specialty Store	9%	9%
Catalog Chain (Sears, Penneys, etc.)	10%	10%
Catalog Showroom	10%	9%
Department Store	13%	14%
Discount Store	20%	21%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	2%	2%
Computer Specialty Store	4%	2%
Video Specialty Store	3%	2%
Furniture Store	2%	2%
Microwave Oven Specialty Store	1%	1%
Other	1%	1%

Personal Computers and Telephones Lead Personal Electronics Shipments

Even with all the activity taking place in the other consumer electronics categories, it would be no understatement to say that the real action is in personal electronics. After all, this is the category that features the two premier products of the year—the personal computer and the telephone. And not many products have ever exhibited the kind of growth that these two items are expected to show in 1983.

The category also contains the videogame, last year's star, still doing a decent, if somewhat flat business in hardware, although the software is flourishing, at least in units shipped.

The calculator, while almost a 30-million-unit-per-year industry on its own, is registering a bit of a decline this year, although it still has its stars.

Non-video electronic games are down as well, with only board games showing any life. Meanwhile, radar detector shipments are up for the year, with some 681,000 units expected to reach retailers' shelves.

It should be noted that while *Merchandising* attempted to track shipments of both analog and quartz watches for 1983, the task proved futile. Too many manufacturers and importers with too little insight into the market as a whole made the job impossible.

Manufacturers predict that shipments of personal computers should hit the five million unit mark this year, a 156.4 percent increase over the 1.95 million units shipped in 1982. How many of these units will actually sell through to consumers, however, is unclear in this extremely volatile market.

What is clear is that growth in retail dollars is not going to live up to the growth in units shipped. Prices have been falling all year, and will no doubt continue to do so into the all-important fourth quarter.

For example, according to the vendors, one third of all the personal computers sold in 1983 will go for less than $500. This compares with 25 percent in the previous year.

All in all, 57 percent of the computers should go for under $1,000 this year compared with 39 percent in 1982.

It's also interesting to note that fewer personal computers are being bought for business purposes. This year, for the first time, the most computers sold, 44 percent, are expected to be used mainly for personal and home use. Business/professional use comes in second, with 38 percent. School and educational uses, while third, show an increase of three percentage points over 1982.

Who's going to be selling all these products to the computer-hungry consumers? Computer specialty stores will hold the bulk of the market, although they are losing share, slipping from 44 percent last year to a projected 41 percent in 1983. Next in line are electronics specialty stores (Radio Shack in particular), although they too show a decline from 21 percent to 20 percent.

Picking up much of the market share is the discount store, moving from three percent of the market to an anticipated six percent this year. Catalog chains are expected to pick up two percentage points, climbing to take seven percent of the market. And office supply stores are expected to move from one to two percent of the total market.

Meanwhile, back with the product that started it all, the videogame, shipments are expected to grow, but only slightly. The manufacturers project that some 6.7 million pieces of hardware will be shipped this year, an increase of just 2.4 percent.

Selling most of these units will be discount stores, with 22 percent of the market, the same as last year. Gaining ground in 1983 are expected to be drug stores and toy stores. Losing it should be appliance/TV stores and catalog showrooms.

Videogame cartridges, by comparison, are doing much better, at least in shipments to retailers. Close to 77 million are expected to be shipped this year, a 26 percent increase over 1982's figure. Again, however, this represents products shipped to the dealers, and not what they actually sell through to the consumer.

Expected to sell the most videogame cartridges this year are discount stores, with 22 percent of the market. However, this is down from 24 percent last year.

Picking up sales, according to the manufacturers, are audio/hifi specialty stores, convenience stores and video specialty stores. Losing it are catalog chains, department stores and the discount stores.

Phones Take Off

As the deregulation of AT&T proceeds, more retailers enter the market and manufacturers continue to multiply

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PERSONAL ELECTRONICS

PERSONAL COMPUTER TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Personal Computers	5,000,000	1,950,000	+ 156.4

PERSONAL COMPUTER SALES BY PRICE RANGE

	1983	1982
Under $500	33%	25%
$500 - $800	11%	12%
$801 - $1,000	13%	12%
$1,001 - $1,500	19%	23%
$1,501 - $2,000	7%	8%
$2,001 - $2,999	17%	20%

PERSONAL COMPUTER SALES BY INTENDED USE

	1983	1982
Business/Professional	38%	44%
Personal/Home	44%	41%
School/Educational	18%	15%

PERSONAL COMPUTER SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	3%	5%
Audio/Hifi Specialty Store	5%	5%
Catalog Chain (Sears, Penneys, etc.)	7%	5%
Catalog Showroom	6%	6%
Computer Specialty Store	41%	44%
Department Store	5%	5%
Discount Store	6%	3%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	20%	21%
Hobby/Toy Shop	4%	4%
Office Supplies Store	2%	1%
Other	1%	1%

PHONE AND PHONE ANSWERER TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Phones, total	14,180,000	4,521,000	+ 213.6
Standard	7,750,000	1,406,000	+ 451.2
Decorator	1,680,000	1,592,000	+ 5.5
Advanced Electronic	750,000	536,000	+ 39.9
Cordless	4,000,000	987,000	+ 305.3
Phone Answerers	1,251,000	868,000	+ 44.1

PHONE SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	7%	6%
Audio/Hifi Specialty Store	5%	4%
Catalog Chain (Sears, Penneys, etc.)	13%	14%
Catalog Showroom	15%	15%
Department Store	15%	14%
Discount Store	16%	18%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	11%	5%
Phone Specialist	15%	19%
Other	3%	5%

VIDEOGAME TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Videogames	6,700,000	6,542,000	+ 2.4
Videogame cartridges	76,982,000	61,000,000	+ 26.2

VIDEOGAME SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	7%	8%
Audio/Hifi Specialty Store	5%	5%
Catalog Chain (Sears, Penneys, etc.)	17%	17%
Catalog Showroom	10%	12%
Department Store	16%	16%
Discount Store	22%	22%
Drug Store	2%	1%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	3%	3%
Toy Store	14%	12%
Video Specialty Store	3%	3%
Other	1%	1%

VIDEOGAME CARTRIDGE SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	4%	4%
Audio/Hifi Specialty Store	6%	5%
Catalog Chain (Sears, Penneys, etc.)	16%	17%
Catalog Showroom	6%	6%
Convenience Store	2%	1%
Department Store	12%	13%
Discount Store	22%	24%
Drug Store	2%	2%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	8%	8%
Toy Store	13%	13%
Video Specialty Store	5%	4%
Other	4%	3%

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like mad, the phone industry is gearing up for its biggest year ever in 1983. Manufacturers are predicting a whopping 213.6 percent increase in telephone shipments this year.

All in all, more than 14 million phones are expected to be shipped to dealers. Some 55 percent of them will be standard telephones, 28 percent will be cordless, 12 percent will be decorator and five percent will be advanced electronic units with features such as automatic redial.

Manufacturers expect that about four million cordless units will be shipped to retailers this year, up from just under one million last year. As a result, a number of dealers are taking steps to ensure that neighboring cordless phone owners aren't popping in and out of each other's conversations. New technologies are being used and the Federal Communications Commission (FCC) has been convinced to change the frequencies open to cordless telephones.

Among the leading retailers selling phones this year are discount stores, catalog showrooms, department stores and phone specialists. Coming on the fastest are electronics specialty stores, such as Radio Shack. With five percent of the market in 1982, they are expected to jump to 11 percent this year. Also gaining are appliance/TV stores, audio/hifi specialty stores and department stores. Losing ground are catalog chains, discount stores and telephone specialists.

Phone answerers are expected to do a land office business as well this year. Some 1.2 million are expected to be sold, up 44 percent from the 868,000 of 1982.

Discount and department stores are expected to capture much of the sales for this product, although both will be down from last year's levels, as will catalog chains. Picking up market share are appliance/TV stores, catalog showrooms and phone specialists.

Calculator Sales Slump

A far more mature product, the electronic calculator, is no longer showing the growth it once did. In fact, overall sales are expected to drop about one percent this year. Nevertheless, close to 29 million units should still be shipped.

Hand-helds continue dominating the market with 86 percent of the unit shipments. Broken down, the handhelds are: about 10 percent mini-card; six percent printer; less than one percent programmable; 19 percent scientific and 65 percent in other formulations. Showing the most growth is the printer. Programmable models exhibit the steepest decline.

Desk-top calculators make up about 14 percent of all the calculators shipped. Broken down, they are: 17 percent display only; 19 percent printer only, and 64 percent printer/display. Each is expected to ship less than last year.

Moving the most calculators at retail (another sign of the product's maturity) are discount stores, with a steady 32 percent of the market. Next in line are catalog chains, followed by catalog showrooms and department stores. All the other outlets have less than 10 percent of the total market.

Another product in decline, at least this year, is the non-video electronic game. Total shipments are expected to decline 8.6 percent to about 12.8 million units.

In this category, only board games, such as chess, are expected to show an increase. There, shipments are projected to jump almost 12 percent to some 3.7 million units.

Meanwhile, hand-held games are showing a 15 percent drop in shipments to just over nine million units. In recent years, these models have not been able to offer consumers the excitement of a videogame, and have lost out in the battle for disposable income. Manufacturers, however, keep trying to come up with new game titles and formulations. Perhaps one will strike the right combination somewhere down the road and send this category soaring once again.

In 1983, most of the electronic games sold are expected to be moved through catalog chains and toy stores. They are, however, losing market share. Catalog chains are expected to lose two percentage points, toy stores, one. Also down are catalog showrooms and hobby shops. Showing gains are department stores, discount stores and electronics specialty stores.

One final product in the personal electronics category that is showing an increase this year is the radar detector. Shipments are expected to climb 12 percent to some 681,000 units.

Who's moving radar detectors? Discount stores are. They are expected to capture 18 percent of the market this year, up from 17 percent in 1982. Next in line are CB specialty stores with 15 percent, up from 13 percent; truck stops with a steady 14 percent; automotive supply stores with 14 percent, down from 16 percent; electronics specialty stores with seven percent, up from five percent; catalog chains with six percent, down from nine percent, and appliance/TV stores with three percent, up from one percent.

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PERSONAL ELECTRONICS

PHONE ANSWERER SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	4%	3%
Audio/Hifi Specialty Store	3%	3%
Catalog Chain (Sears, Penneys, etc.)	12%	13%
Catalog Showroom	10%	9%
Department Store	24%	26%
Discount Store	26%	27%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	7%	7%
Office Supply Store	4%	4%
Phone Specialist	8%	7%
Other	2%	1%

CALCULATOR TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Calculators, total	28,749,000	29,030,000	− 1.0
Hand-held, total	24,609,000	24,492,000	+ 0.5
Mini-Card	2,416,000	2,406,000	+ 0.4
Printer	1,395,000	1,302,000	+ 7.1
Programmable	111,000	123,000	− 9.8
Scientific	4,770,000	4,760,000	+ 0.2
All other	15,917,000	15,901,000	+ 0.1
Desk-Top, total	4,140,000	4,538,000	−8.8
Display Only	700,000	875,000	−20.0
Printer Only	802,000	880,000	−8.9
Printer/Display	2,638,000	2,783,000	−5.2

CALCULATOR SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	3%	3%
Book Store	1%	1%
Catalog Chain (Sears, Penneys, etc.)	22%	22%
Catalog Showroom	13%	13%
Department Store	10%	10%
Discount Store	32%	32%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	4%	4%
Office Supply Store	8%	8%
Other (including Drug Stores)	7%	7%

ELECTRONIC GAME TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Electronic Games, total	12,834,000	14,[illegible]000	− 8.6
Hand-held	9,085,000	1[illegible],688,000	− 15.0
Board (strategy)	3,749,000	3,357,000	+ 11.7

ELECTRONIC GAME SALES BY TYPE OF OUTLET

	1983	1982
Book Store	2%	2%
Catalog Chain (Sears, Penneys, etc.)	22%	24%
Catalog Showroom	15%	17%
Department Store	16%	14%
Discount Store	15%	13%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	8%	6%
Hobby Shop	3%	4%
Toy Store	18%	19%
Other	1%	1%

RADAR DETECTOR TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Radar Detectors	681,000	608,000	+ 12.0

RADAR DETECTOR SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	3%	1%
Automotive Supply Store	14%	16%
Catalog Chain (Sears, Penneys, etc.)	6%	9%
Catalog Showroom	17%	19%
CB Specialty Store	15%	13%
Department Store	3%	3%
Discount Store	18%	17%
Truck Stop	14%	14%
Electronics Specialty Store	7%	5%
Other	3%	3%

Audio Shipments Are Expected To Register Growth In Almost Every Category

Although audio and hifi products are no longer the toast of the consumer electronics industry, it looks like they are going to turn in perfectly respectable results for 1983. Overall sales should be up in almost every category; hifi components, portable tape, personal portables, autosound and radios are all expected to turn in gains. Only compact stereos appear destined to lose ground this year.

Deriving a good deal of strength from the sale of racked systems, high fidelity components are expected to register a 1.8 percent rate of growth in units shipped. Among the strongest products, according to the manufacturers polled, are receivers, amplifiers and speakers, although turntable shipments appear to be down (could it be some consumers are holding out for a compact disc player?).

The equalizer, the latest addition to the component market, is still exhibiting strong growth. So is the cassette deck, although eight-track units and open-reel decks continue to lose ground. Cartridges and headphones are also expected to register increases.

This year's statistics indicate a slight shift toward more-powerful receivers (again, perhaps, audio consumers are starting to think about getting ready for digital). In addition, convenience-loving Americans, by now used to remote controlled TV's, are showing more of an interest in similarly equipped audio components. And electronic tuning is coming on stronger than ever on both tuners and receivers.

In terms of retail sales, the manufacturers note a slight shift away from discount stores and catalog chains with the difference being picked up by audio/hifi specialty stores and catalog showrooms where hifi components are concerned.

If racked systems have helped the sale of hifi components, it appears that they might be hurting compact systems at the same time. It's possible that consumers, finding it just as easy to buy components as a compact, are opting for the former. As a result, the compact category is expected to show a drop in shipments this year with only the cassette recorder trimode registering an increase.

In this market, catalog chains and electronics specialty stores such as Radio Shack are picking up market share while appliance/TV stores, department stores and discount stores are losing out.

Portable Tape Up

While overall shipments of portable tape products are up, the category is doing even better than it might look at first glance. The relatively strong radio/cassette combo product (aka boombox) is being offset by a decline in eight-track models.

According to a number of retailers *(see related story, page 63)*, the boombox is being buoyed by the popularity of slim-line units, designed to reach the markets that the more-traditional suitcase-shaped product might have missed.

Also picking up steam in the portable tape category is the microcassette recorder. Although this product has, at times, been touted as the wave of the future in hifi components, portable tape and autosound, it has yet to make the necessary breakthroughs. Nevertheless, it is continuing to register growth at a steady pace over the years.

This marks the first time that *Merchandising* has been able to offer statistics on personal portable products. Ever since Sony started the ball rolling with its first Walkman, this market has proven to be a particularly difficult one to track. The rapid growth of the industry, with products being introduced from all sides, has been a major factor as has been the sustained existence of a strong grey market.

But as the dust is starting to settle around this explosive product, we find that it is expected to continue to grow in 1983, with total shipments crashing through the six million unit level. Showing the strongest growth this year is

CONTINUED ON PAGE 36

HIFI COMPONENT TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Audio Components, total	8,339,000	8,192,000	+ 1.8
Receivers	1,567,000	1,421,000	+ 10.3
Amps	323,000	311,000	+ 4.0
Pre-Amps	45,000	54,000	– 16.7
Tuners	206,000	201,000	+ 2.5
Turntables (excl. OEM)	2,093,000	2,239,000	– 6.5
Speakers (components only)	3,050,000	2,970,000	+ 2.7
Equalizers	193,000	160,000	+ 20.6
Tape Decks, total	862,000	836,000	+ 3.1
Cassette	778,000	707,000	+ 10.0
8-Track	23,000	49,000	– 53.1
Open reel	61,000	80,000	– 23.8
Cartridges (excl. OEM)	3,731,000	3,629,000	+ 2.8
Headphones	2,731,000	2,584,000	+ 5.7

HIFI COMPONENT PERCENT SHIPPED WITH REMOTE CONTROL DEVICES

1983	1982
4%	3%

RECEIVER SHIPMENTS BY WATTAGE

	1983	1982
10-20 Watts	16%	18%
21-40 Watts	38%	38%
41-100 Watts	41%	38%
Over 100 Watts	5%	6%

HIFI COMPONENT PERCENT SHIPPED WITH ELECTRONIC TUNING

	1983	1982
Tuners	60%	48%
Receivers	60%	47%

HIFI COMPONENT SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	8%	8%
Audio/Hifi Specialty Store	36%	35%
Catalog Chain (Sears, Penneys, etc.)	17%	18%
Catalog Showroom	9%	7%
Department Store	11%	11%
Discount Store	5%	6%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	7%	7%
Hifi Salon	7%	8%
Other	0%	0%

COMPACT SYSTEM TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Compact Systems, total	2,736,000	2,966,000	– 7.8
Cassette Recorder Bimode	73,000	83,000	– 12.1
Cassette Recorder Trimode	1,543,000	1,337,000	+ 15.4
8-Track Player Bimode	88,000	134,000	– 34.3
8-Track Player Trimode	277,000	409,000	– 32.3
8-Track Recorder Bimode	107,000	158,000	– 32.3
8-Track Recorder Trimode	316,000	457,000	– 30.9
Changer Bimode	102,000	160,000	– 36.3
Quadmode	230,000	228,000	+ 0.9

COMPACT SYSTEM SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	16%	18%
Audio/Hifi Specialty Store	10%	10%
Catalog Chain (Sears, Penneys, etc.)	17%	14%
Catalog Showroom	9%	9%
Department Store	16%	18%
Discount Store	23%	24%
Drug Store	1%	1%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	6%	4%
Other	2%	2%

PORTABLE TAPE UNIT TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Portable Tape Units, total	28,741,000	28,050,000	+ 2.5
Cassette Recorders	16,000,000	15,817,000	+ 1.2
Radio/cassette Combos	11,660,000	11,000,000	+ 6.0
8-Track Player/Recorders	458,000	704,000	– 34.9
Microcassette Recorders	623,000	529,000	+ 17.8

PERSONAL PORTABLE TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Personal Portables, total	6,156,000	5,652,000	+ 8.9
Cassette only	3,200,000	2,910,000	+ 10.0
Cassette & Radio	2,426,000	2,146,000	+ 13.0
Radio only	530,000	596,000	– 11.1

CONTINUED FROM PAGE 34

the cassette player/radio combination, which is expected to account for close to 40 percent of the units shipped this year. The cassette-only product is also continuing to grow, and still retains the lead in the product category. Only the radio-only units appear to have peaked, according to the manufacturers polled.

Who is retailing all of these portable tape products? The vendors report that discount stores continue to hold the lion's share of the market, 25 percent of it. But even they are down a bit from 1982, as are department stores and other unidentified retailers. On the other hand, appliance/TV stores, audio/hifi specialty stores and catalog chains are all picking up market share.

Autosound Growth Continues

The car stereo market, one of the healthier segments of the total audio industry over the past few years, is continuing to exhibit growth this year. Once again, however, the overall figure fails to indicate the strength of certain products within the category. Eight-track units and underdash models continue to decline, pulling the overall autosound figure down with them.

A number of products, though, continue to do well. The indash cassette/radio combo is expected to be up significantly this year, as are equalizers and speakers.

It will be interesting to watch in the months ahead how the improving economy affects the aftermarket industry in car stereo. It grew through the recession as automobile sales plummeted, and many theorized that consumers, unable to afford a new car, were jazzing up the old one. But now, as more and more people are buying new cars, will they remember their old friends? Or will they resort to buying the stereo that comes with the car?

Automobile manufacturers are addressing the consumer's interest in more-expensive autosound equipment by introducing more sophisticated equipment. A prime example is the Delco/Bose systems which are available on a number of General Motors' more expensive cars.

At the same time, however, aftermarket manufacturers are aiming to attract consumers with some innovative new offerings. Take, for instance, the Blaupunkt ARI system that offers drivers a method of ensuring that they hear the latest traffic bulletins. All this will have a definite effect on the autosound market as the decade progresses.

In the meantime, the manufacturers note that consumers are definitely shifting to more expensive car stereo systems. An increasing number of buyers are opting for units priced at $180 and above while the under-$130 market is showing signs of erosion.

Car stereo buyers are also continuing to buy electronic tuning in greater numbers. More than a quarter of the units shipped this year are expected to be equipped with this feature.

On the retail front, audio/hifi specialty stores and automotive chains are the two types of outlets picking up market share in the autosound aftermarket industry. This is being done at the expense of appliance/TV stores and department stores.

And what about radio, the granddaddy of consumer electronics? The manufacturers report that it is expected to register growth in just about every area this year. Doing particularly well are clock radios with electronic digital displays, albeit at the expense of units with mechanical leaf displays and the more traditional analog models.

The only products showing slippage are specialty radios, such as multi-band and weather-band models and scanners.

Citizens band units, although nowhere near the numbers they reached during their heyday in the mid-Seventies, are showing growth in the mobile unit sector. In this area, emergency-only models that can be stashed in the trunk or glove compartment appear to be picking up steam.

As for retail sales, radios are still sold primarily through discount stores, which continue to capture almost 30 percent of the market. In fact, distribution patterns are expected to remain all but unchanged this year with only appliance/TV stores losing ground being gained by catalog chains and drug stores.

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AUDIO/HIFI

PORTABLE TAPE UNIT SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	16%	15%
Audio/Hifi Specialty Store	7%	6%
Catalog Chain (Sears, Penneys, etc.)	13%	11%
Catalog Showroom	15%	15%
Department Store	15%	16%
Discount Store	25%	26%
Drug Store	4%	4%
Other	5%	7%

AUTOSOUND TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Autosound, total	20,971,000	20,741,000	+ 1.1
Underdash Cassette Player	693,000	692,000	+ 0.1
Underdash Cassette/ Radio Combo	456,000	556,000	− 18.0
Indash Cassette/ Radio Combo	3,603,000	3,328,000	+ 8.3
Underdash 8-Track Player	284,000	506,000	− 43.9
Underdash 8-Track/ Radio Combo	88,000	163,000	− 46.0
Indash 8-Track/ Radio Combo	806,000	1,343,000	− 40.0
Equalizers	703,000	617,000	+ [illegible]
Car Speakers (pairs)	13,353,000	12,479,000	+ 7.0
Radios only (Retrofit)	985,000	1,057,000	− 6.8

AUTOSOUND RADIOS PERCENT SHIPPED WITH ELECTRONIC TUNING

1983	1982
26%	13%

AUTOSOUND SHIPMENTS BY PRICE RANGE

	1983	1982
Under $50	2%	2%
$50 - $89	13%	14%
$90 - $129	23%	24%
$130 - $179	33%	33%
$180 - $249	14%	13%
$250 - $349	10%	10%
$350 or more	5%	4%

AUTOSOUND AFTERMARKET SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	4%	5%
Audio/Hifi Specialty Store	19%	18%
Automotive Chain	14%	13%
Car Stereo Specialist	17%	17%
Catalog Chain (Sears, Penneys, etc.)	10%	10%
Catalog Showroom	5%	5%
Department Store	4%	5%
Discount Store	11%	11%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	10%	10%
New Car Dealer	4%	4%
Other	2%	2%

RADIO TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Radios, total	28,846,000	26,518,000	+ 8.8
By Type:			
Table (excl. clock)	811,000	768,000	+ 5.6
Portable	18,242,000	17,161,000	+ 6.3
Clock, Digital	9,400,000	7,804,000	+ 20.5
Electronic Display	8,880,000	6,637,000	+ 33.8
Mechanical Leaf Display	520,000	1,167,000	− 55.4
Clock, Analog	393,000	785,000	− 49.9
By Format:			
AM Only	2,957,000	3,180,000	− 7.0
FM & AM/FM	25,889,000	23,338,000	+ 10.9
By Power Source:			
Battery (with or w/o plug-in)	9,305,000	8,204,000	+ 13.4
AC/DC	9,305,000	8,675,000	+ 7.3
Other Plug-In (w/o battery)	10,236,000	9,639,000	+ 6.2
Specialty Types:			
Multi-Band Radios	6,535,000	6,594,000	− 0.9
Weather-Band Radios	1,058,000	1,075,000	− 1.6
Scanner Radios	818,000	829,000	− 1.3
Citizens Band, total	1,628,000	1,498,000	+ 8.7
Base Station	155,000	161,000	− 3.7
Mobile Units	1,473,000	1,337,000	+ 10.2

RADIO SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	13%	15%
Audio/Hifi Specialty Store	6%	6%
Catalog Chain (Sears, Penneys, etc.)	13%	12%
Catalog Showroom	16%	16%
Department Store	6%	6%
Discount Store	29%	29%
Drug Store	4%	3%
Furniture Store	1%	1%
Jewelry Store	1%	1%
Other	11%	11%

Video Software Rides Along With Booming Hardware Shipments This Year

With VCR shipments setting records this year, the software industry is going along for a heady ride. Both blank and prerecorded videotape are expected to be big business in 1983.

Shipments of blank tape are expected to show a 32.1 percent increase in 1983 with some 50.7 million units shipped. Paralleling the hardware, Beta tapes should account for just under 30 percent of those units, VHS for just over 70 percent.

According to the manufacturers, appliance/TV stores, audio/hifi specialty stores, discount stores and video specialists are moving most of that tape. The stores showing gains this year, however, are catalog chains and discount stores while appliance/TV stores and department stores are losing market share.

Meanwhile shipments of prerecorded videotape are expected to climb by 29.5 percent to some 8.4 million units. (It should be noted that this represents shipments to retailers. It does not track whether they rent or sell the product.) This year, 74 percent of those tapes are expected to be general interest, 26 percent X-rated, according to the manufacturers. Some 72 percent of the tapes are expected to be VHS, 28 percent Beta.

The manufacturers note that the vast bulk of the prerecorded tapes, 83 percent, is going into the hands of video specialists. No other type of outlet has more than a small percentage of market share.

In videodiscs, a total of 6.2 million units are expected to be shipped to dealers in 1983, a 66.9 percent increase over 1982. About 75 percent of them should be in the CED format, the vendors note, with the remaining 25 percent laserdiscs.

Appliance/TV stores, which sell most of the videodisc players, are also selling most of the discs themselves. They should account for about a third of all those sold this year.

Blank Audiotape Climbs

In blank audiotape, overall shipments are expected to climb 1.3 percent this year. However, this figure, weighted down by declining shipments of open reel tapes and eight-track cartridges, belies the fact that cassettes are projected to register a 3.1 percent jump. Showing the highest rate of growth is metal tape (although it will still come to only 1.4 million units).

Selling the most tape are audio/hifi specialty stores with 34 percent of the market. They, however, are losing share, as are appliance/TV stores, camera stores and department stores. On the up side are discount stores, drug stores and record stores, all reflecting the fact that consumers are more at ease than ever with their audiotape purchases and no longer feel they need much dealer assistance in making a selection.

BLANK VIDEOTAPE TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Blank Videotape, total	50,750,000	38,423,000	+ 32.1
Beta	14,933,000	12,207,000	+ 22.3
VHS	35,817,000	26,216,000	+ 36.6

BLANK VIDEOTAPE SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	20%	23%
Audio/Hifi Specialty Store	17%	17%
Camera Store	5%	5%
Catalog Chain (Sears, Penneys, etc.)	6%	5%
Catalog Showroom	5%	5%
Department Store	9%	10%
Discount Store	17%	14%
Film Processors (Fotomat, Shutterbug, etc.)	2%	2%
Record Store	4%	4%
Video Specialist	14%	14%
Other	1%	1%

PRERECORDED VIDEOTAPE TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Prerecorded Videotape, total	8,430,000	6,510,000	+ 29.5
General Interest	6,250,000	4,400,000	+ 42.0
X-Rated	2,180,000	2,110,000	+ 3.3
Beta	2,339,000	1,960,000	+ 19.3
VHS	6,091,000	4,550,000	+ 33.9

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SOFTWARE

PRERECORDED VIDEOTAPE SALES BY TYPE OF OUTLET

	1983
Appliance/TV Store	2%
Audio/Hifi Specialty Store	1%
Camera Store	1%
Catalog Chain (Sears, Penneys, etc.)	1%
Catalog Showroom	2%
Department Store	4%
Discount Store	1%
Film Processors (Fotomat, Shutterbug, etc.)	1%
Record Store	3%
Video Specialist	83%
Other	1%

VIDEODISC TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Videodiscs, total	6,250,000	3,745,000	+ 66.9
Laser	1,570,000	936,000	+ 67.7
CED	4,680,000	2,809,000	+ 66.6

VIDEODISC SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	33%	31%
Audio/Hifi Specialty Store	13%	16%
Camera Store	1%	2%
Catalog Chain (Sears, Penneys, etc.)	8%	8%
Catalog Showroom	2%	2%
Department Store	7%	5%
Discount Store	3%	2%
Film Processors (Fotomat, Shutterbug, etc.)	1%	1%
Record Store	7%	6%
Video Specialist	24%	26%
Other	1%	1%

BLANK AUDIOTAPE TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Blank Audiotape, total	255,147,000	251,781,000	+ 1.3
Cassette, total	243,765,000	236,344,000	+ 3.1
Promotional	108,298,000	102,506,000	+ 5.7
*Premium	134,100,000	132,826,000	+ 1.0
Metal Particle	1,367,000	1,012,000	+ 35.1
Open Reel, total	6,915,000	7,567,000	− 8.6
Promotional	727,000	1,053,000	− 31.0
*Premium	6,188,000	6,514,000	− 5.0
8-Track, total	4,467,000	7,870,000	− 43.2
Promotional	2,722,000	4,861,000	− 44.0
*Premium	1,745,000	3,009,000	− 42.0

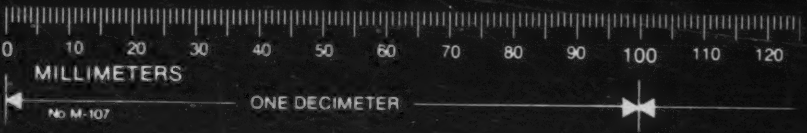
*High coercivity, cobalt doped, chrome and ferrite chrome, etc.

BLANK PREMIUM AUDIOTAPE SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	3%	4%
Audio/Hifi Specialty Store	34%	37%
Camera Store	2%	3%
Catalog Chain (Sears, Penneys, etc.)	6%	6%
Catalog Showroom	8%	8%
Department Store	8%	9%
Discount Store	16%	14%
Drug Store	5%	4%
Record Store	11%	8%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	6%	6%
Other	1%	1%

BLANK PROMOTIONAL AUDIOTAPE SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	3%	3%
Audio/Hifi Specialty Store	7%	8%
Camera Store	2%	2%
Catalog Chain (Sears, Penneys, etc.)	11%	11%
Catalog Showroom	7%	7%
Department Store	7%	6%
Discount Store	38%	37%
Drug Store	9%	8%
Record Store	9%	8%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	6%	8%
Other	1%	2%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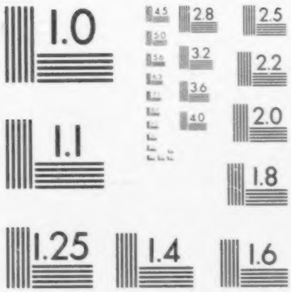
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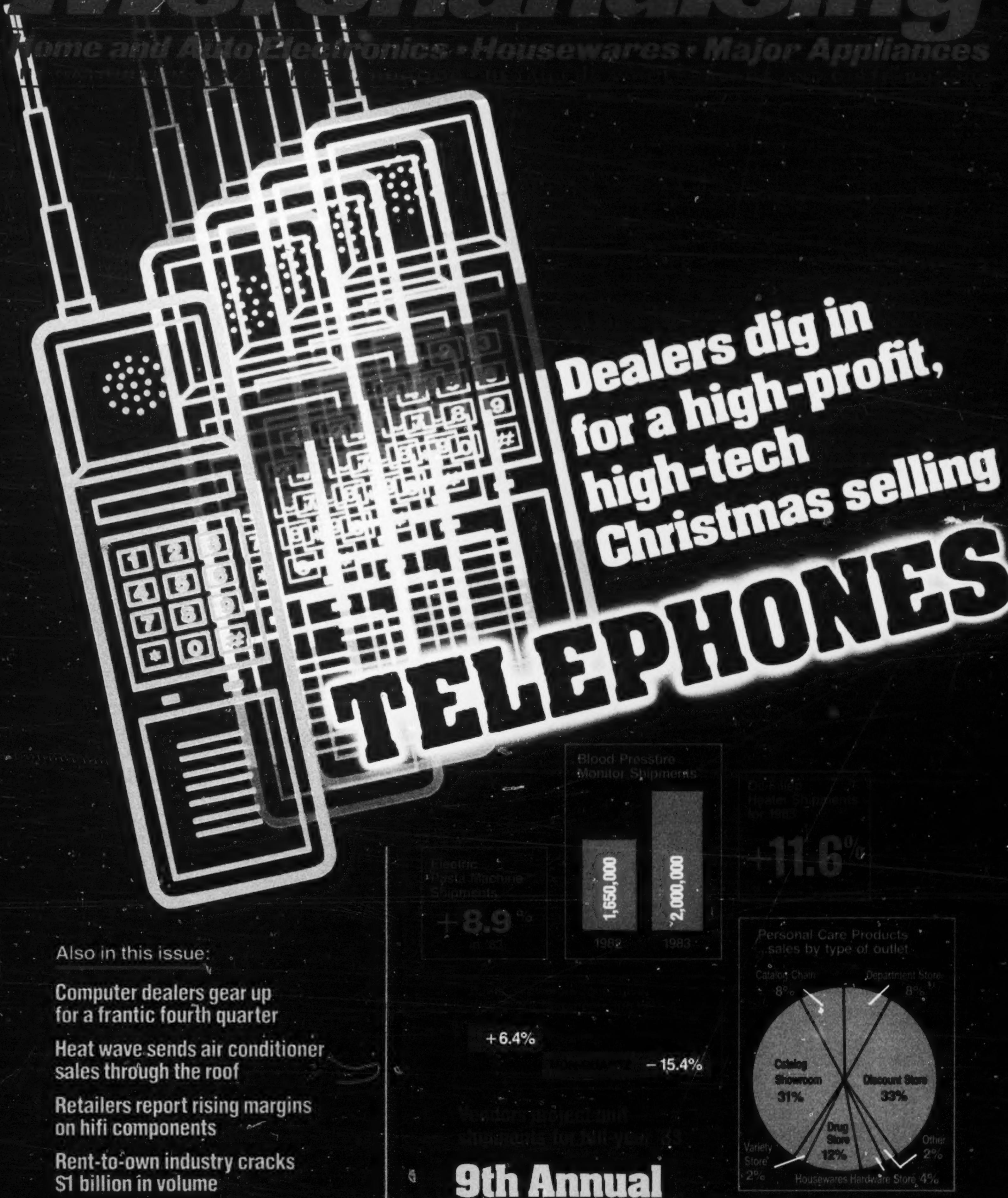
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1983
Electric
Pasta Machine
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+8.9%
in '83
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+6.4%
−15.4%
Personal Care Products
sales by type of outlet
Catalog Chain
8%
Department Store
8%
Catalog
Showroom
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Discount Store
33%
Drug
Store
12%
Variety
Store
2%
Other
2%
Housewares Hardware Store 4%

Dealers dig in for a high-profit, high-tech Christmas selling

TELEPHONES

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- Computer dealers gear up for a frantic fourth quarter
- Heat wave sends air conditioner sales through the roof
- Retailers report rising margins on hifi components
- Rent-to-own industry cracks $1 billion in volume
- Floor care vendors expand electronically controlled offerings

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FOR OVER 56,200 RETAILERS & WHOLESALERS

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Vol. 8, No. 9

Merchandising
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TELEPHONES
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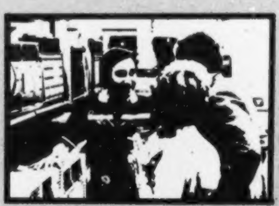

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1983 is shaping up as a turnaround year for many products

1983 is turning into a very good year in the housewares industry. According to the statistics on pages 14 through 20, a significant number of products that registered declines in the number of units shipped in 1982 are now expected to be up when all is said and done for 1983.

In addition, several of the more successful products last year are expected to turn in a second year of increases, propelling them to new heights in the housewares heavens.

Looking at the products category by category, we find:

KITCHEN ELECTRICS: It looks like 1983 is going to mark something of a turnaround for a number of products in this category. Food processors, for example, which registered a 15.6 percent drop in shipments in 1982, are expected to be up 1.5 percent this year. While this may not be a lot, it's at least a move in the right direction. Other products which lost ground last year and are expected to regain at least part of it in 1983 are: blenders, can openers, hot oil corn poppers, food mixers, food slicers, griddles and quick grills, ice crushers, irons and toasters. Some products, on the other hand, will continue to build on already substantial gains made last year. Among these is the electric coffee grinder. It was up 4.8 percent in '82 and is projected to register another 15 percent gain in units shipped this year. Also up for both years are: coffee makers, deep fryers, fry pans/skillets, hot plates and buffet ranges, ice cream makers, travel irons, waffle irons/sandwich grills and electric woks. However, not all products are doing so well. Convection ovens, for one, have been losing ground for the past few years, and will continue to do so in 1983, according to the vendors. They were down 29.9 percent last year and should be off 14 percent this year. Other products that are showing shipment declines for at least the second straight year are: bag sealers, broilers, crepe pans, egg cookers, slicing knives, and slow cookers.

PERSONAL CARE: The big news here is the home healthcare category. This is the first year that *Merchandising* has tracked blood pressure monitors, but shipments are expected to hit two million units this year, a 21.2 percent increase over 1982. Also tracked for the first time are portable whirlpool baths, projected to hit 125,000 units shipped, a 5.9 percent increase. In this category, bathroom scales are also doing quite well, particularly the digital variety, which is expected to generate a 17.1 percent jump in shipments this year to hit the 1.4 million unit mark. Also doing well in home healthcare, showing gains for at least the second year in a row, are facial saunas, foot massagers/baths, hand-held massagers and shower massagers. In fact only one other personal care product, hair setters, is doing as well. A number of products that showed a decline in shipments last year are expected to pick up somewhat in '83. Among them are curling irons/styling wands, and oral hygiene devices. Some, however, will lose ground for a second year in a row, including heating pads.

COOKWARE: It looks like 1983 is shaping up as a particularly good year for cookware of all kinds. Aluminum products, for one, which registered a seven percent decline in shipments last year, are expected to turn in an eight percent gain in 1983. Stainless steel products should show a 10.3 percent jump compared with a 3.1 percent jump last year. Also building on solid gains the year before are enamel and cast iron products. Showing a turnaround are porcelain enamel on cast iron items and any cookware coated with a non-stick surface. In microwave cookware, shipments are forecast to jump 8.1 percent, and microwave appliances should register a 9.4 percent increase. Only pressure cookers are doing poorly. They are expected to show a 6.7 percent decline in shipments this year on top of an 0.2 percent drop in the previous year.

CLOCKS: Clocks of all kinds are continuing to ride a wave of growth this year. Decorative wall, kitchen wall and alarm clock categories all are up for at least the second year in a row. The big change comes in the type of movement used. Quartz continues to surge ahead at the expense of the traditional electric or battery-driven movements in all cases but one. Only in alarm clocks do customers, apparently, still want a clock that they can plug into the wall to feel secure they'll be up in time for work in the morning.

FLOOR CARE: Perhaps the best indicator of the improving economy in this report comes in the floor care section. Here, we see all types of vacuums showing shipment increases this year where only hand-helds were up in 1982. Canisters, uprights and sticks all are registering gains in 1983 where they had losses last year. One strong factor here is the improving housing market. Vendors note that people buy new vacuums when they buy new carpets. And they tend to buy new carpets when they have a new home. This domino effect should generate a 14.3 percent increase in total vacuums shipped this year. The star of the category, however, is the hand-held unit, which should show a 57 percent increase this year on top of an 11.5 percent gain in 1982. Carpet sweepers also will be up for the second straight year. Only floor polishers are showing a decline for the second year in a row, although the 4.3 percent drop anticipated for 1983 is not nearly so steep as the 32 percent decline in the previous year.

AIR TREATMENT: Although kerosene heaters are expected to sell well in the coming heating season, shipments to retailers are expected to be off 20.8 percent. Why? Because as many as 3.5 million remain in the pipeline following what can only be called a disastrous 1982-83 heating season. Nevertheless, vendors are confident that the situation will correct itself this year, especially now that the Consumer Products Safety Commission has given kerosene heaters its blessing. Meanwhile, coming on strong are oil-filled heaters, expected to show an 11.6 percent jump in shipments this year following a better than 100 percent increase the previous year. Fans are expected to do well too, showing a 2.5 percent jump in shipments on top of a 2.4 percent increase the year before. The boom in air purifiers, however, would appear to be slowing. Where the category registered a 31.4 percent increase in 1982, it is expected to show only a 2.7 percent rise this year.

HOME SECURITY: Overall, this category is expected to show a 3.1 percent increase in the number of shipments to dealers this year. Most significant is the fact that smoke detectors are doing better. They are expected to show a 4.5 percent increase where last year they were down 2.3 percent. All other products, including smoke/fire/intrusion combos, fire extinguishers, intrusion systems, timers and remote light/appliance controllers, are forecast to show jumps in shipments for the second year in a row.

OUTDOOR PRODUCTS: Barbecue grills of all kinds are up 3.5 percent this year on top of the substantial increase in shipments turned in in 1982. Gas models are predicted to show an 8.5 percent increase on top of the 14.2 percent jump last year. Charcoal grills should be up 2.8 percent on top of the 2.4 percent registered in 1982. And electric models should be up 1.6 percent, compared with a 1.6 percent drop the previous year. Also doing very well are electronic bug killers, predicted to generate a 16.3 percent increase in units shipped following a 15 percent increase the year before.

So all in all, the statistics show more winners than losers projected for the year. In the March 1984 issue, we will take a look back at 1983 and report on what actually happened. Here's hoping that the fourth quarter will carry these optimistic projections through to reality by Jan. 1.

—Lee Rath
editor

How we did it

Statistical matter for this survey was compiled by Selma Book, market research manager, and Matea Esguerra, research associate.

The 1983 estimates in this report are based on information provided by leading suppliers, industry associations, U.S. government reports and other industry sources. The data was collected via mailed questionnaires, telephone and personal interviews and library research.

Following the collection of the information from cooperating sources, the "expected" 1983 vs. 1982 percent changes were weighted by the judgment and expertise of *Merchandising's* researchers and editors. The "weighted" averages of these changes were then applied to the information reported for 1982 in *Merchandising's* issue of March 1983.

Since no company was requested to report on its own performance, the estimates represented weighted consensus, rather than a "census," of industrywide projections for full-year 1983 as reported in June of that year. "Shipments" represent the estimated number of units that are expected to be available for sale in the U.S. (whether imported or domestically manufactured). Exports and beginning-year inventories of wholesalers and retailers are excluded from these estimates for 1983.

Clock shipments show improvement as quartz leads the way

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CLOCKS

Vendors anticipate that clock shipments will reach 31,378,000 units this year, a 3.5 percent increase over 1982. Decorative wall clock sales are expected to improve by 1.6 percent, kitchen wall clocks by 2.9 percent.

Wall clock sales typically follow an improvement in the economy, when housing goes up. People like to decorate their new homes with a variety of timepieces.

Clocks also are benefitting from the explosion of color products for the home. One firm is even offering a six-in-one clock containing six differently colored faces; the consumer decides which one to use based on need or mood.

Quartz clocks continue to do well, showing projected growth in decorative wall, kitchen wall and desk/table/occasional models. Consumers are switching to quartz models more and more because of their greater accuracy and diminishing price points.

Low quartz prices also are leading consumers to purchase decorative wooden wall clocks which were beyond their reach only two years ago. Shipments are expected to be down for all categories of electric clocks with the exception of alarm models.

Digital clock shipments are projected to rise 8.5 percent this year, compared with an expected 2.2 percent increase in analog clocks. Shipments of digital alarms are forecast to be up as much as 12 percent this year. But digitals do not seem to be making it in the decorative wall area; shipments of these digitals are expected to be down 29.7 percent.

Talking clocks help

Voice technology may provide the clock industry with a shot in the arm in the years ahead. Talking clocks now can wake people up in either a male or female voice and announce the time every hour if desired.

Travel alarm clocks are another up-and-coming area in this industry.

And new technology is poised to bring some exciting new developments to the clock world. Clocks are joining hands with a variety of other devices in units such as clock/telephones and clock/telephone/radios. These products are expected to sparkle in the months ahead.

Some vendors are at odds concerning which retail outlets will show the greatest improvement in clock sales this year. One said department stores are becoming more aggressive, while another noted that discount stores are on the upswing. Direct mail is seen as another way to increase business.

—Michael Garry
assistant editor/housewares

CLOCK
TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Clocks, total	**31,378,000**	**30,327,000**	**+3.5**
Decorative Wall, total	**6,103,000**	**6,005,000**	**+1.6**
Electric	1,348,000	1,426,000	−5.5
Battery	4,490,000	4,313,000	+4.1
Quartz	4,106,000	3,859,000	+6.4
Non-Quartz	384,000	454,000	−15.4
Key-Wind	265,000	266,000	−0.4
Kitchen Wall, total	**7,207,000**	**7,004,000**	**+2.9**
Electric	2,566,000	2,793,000	−8.1
Battery	4,641,000	4,211,000	+10.2
Quartz	4,443,000	3,956,000	+12.3
Non-Quartz	198,000	255,000	−22.4
Alarm, total	**17,061,000**	**16,303,000**	**+4.6**
Electric	6,700,000	6,381,000	+5.0
Battery (Quartz)	7,416,000	6,867,000	+8.0
Key-Wind	2,945,000	3,055,000	−3.6
Desk/Table/ Occasional, total	**1,007,000**	**1,015,000**	**−0.8**
Electric	100,000	150,000	−33.3
Battery	682,000	653,000	+4.4
Quartz	608,000	570,000	+6.7
Non-Quartz	74,000	83,000	−10.8
Key-Wind	225,000	212,000	+6.1
Analog Clocks, total	**24,735,000**	**24,202,000**	**+2.2**
Decorative Wall	5,755,000	5,510,000	+4.4
Kitchen Wall	7,065,000	6,870,000	+2.8
Alarm	10,938,000	10,836,000	+0.9
Desk/Table/ Occasional	977,000	986,000	−0.9
Digital Clocks, total	**6,643,000**	**6,125,000**	**+8.5**
Decorative Wall	348,000	495,000	−29.7
Kitchen Wall	142,000	134,000	+6.0
Alarm	6,123,000	5,467,000	+12.0
Desk/Table/ Occasional	30,000	29,000	+3.5

CLOCK
SALES BY TYPE OF OUTLET

	1983	1982
Catalog Chain (Sears, Penneys, etc.)	14%	16%
Catalog Showroom	20%	19%
Department Store	10%	11%
Discount Store	31%	30%
Drug Store	7%	6%
Furniture Store	1%	1%
Home Improvement Center	3%	3%
Housewares/ Hardware Store	7%	6%
Jewelry Store	4%	5%
Other	3%	3%

QUARTZ TRAVEL ALARM
SALES BY TYPE OF OUTLET

	1983	1982
Catalog Chain (Sears, Penneys, etc.)	11%	10%
Catalog Showroom	30%	30%
Department Store	14%	15%
Discount Store	22%	20%
Drug Store	8%	8%
Furniture Store	2%	2%
Home Improvement Center	2%	3%
Housewares/ Hardware Store	4%	4%
Jewelry Store	6%	7%
Other	1%	1%

Home security shipments projected to generate increases

HOME SECURITY

Home security products are forecast to enjoy a modest 3.1 percent growth in factory shipments this year, bringing the total to 17,878,000 units. The category, which had stirred heady expectations among some vendors, has leveled off during the past few years.

Helped by state and local regulations requiring their presence in dwellings, smoke detectors are expected to experience a 4.5 percent increase in shipments. A concern about the safety of hotels has led to an upsurge in sales of travel smoke detectors. And profit margins in this area are starting to improve after being negligible for several years.

Focus on timers

Timer shipments are forecast to go up moderately to 4,630,000 units, a 2.2 percent increase. The timer industry, however, could be due for significant growth as new manufacturers have recently appeared on the scene with state-of-the-art electronic units. These vendors contend that the electronic models will replace the traditional electromechanical timers, while established vendors see a place for both versions.

The electronic timers are being styled to become an everyday part of the home, not just a vacation appliance. They can be programmed to the nearest minute and often include LED clock displays. The electromechanicals, on the other hand, are less expensive and can usually handle higher voltage loads. These low-end timers are also finding many energy-saving applications.

Vendors also are using new approaches to penetrate a market which is at best only one-third saturated. One firm has launched a major effort to increase consumer awareness of the category by devising a brochure with home security tips, including the use of the timer. That brochure has been distributed to law enforcement agencies, realtors and travel agencies in the U.S. and Canada. Other vendors are relying on generous co-op advertising and expanded warranty programs to bolster market saturation.

Shipments of intrusion systems, which have enjoyed steady growth during the past few years, are expected to rise 11.5 percent—the highest of the traditional home security products—to 686,000 units. This reflects a greater effort on the part of consumers to do something about the burgeoning crime problem.

A whopping 50.3 percent increase in shipments of remote light/appliance controllers is predicted for this year. The flexibility offered by this product appears to be winning over consumers who are tired of coordinating the use of numerous timers throughout their homes.

—MG

HOME SECURITY
TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Home Security, total	**17,878,000**	**17,340,000**	**+3.1**
Smoke Detectors	7,420,000	7,100,000	+4.5
Smoke/Fire/ Intrusion Combos	376,000	375,000	+0.3
Fire Extinguishers	4,766,000	4,719,000	+1.0
Intrusion Systems	686,000	615,000	+11.5
Timers	4,630,000	4,531,000	+2.2
Remote Light/ Appliance Controllers	263,000	175,000	+50.3

HOME SECURITY
SALES BY TYPE OF OUTLET

	1983	1982
Catalog Chain (Sears, Penneys, etc.)	16%	17%
Catalog Showroom	11%	11%
Department Store	2%	3%
Discount Store	30%	29%
Drug Store	3%	3%
Electronic Specialty Store	2%	2%
Housewares/ Hardware Store	15%	14%
Home Improvement Center	13%	12%
Mail Order	2%	2%
Variety Store	1%	1%
Other	5%	6%

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KITCHEN ELECTRICS

Economy, new designs boost kitchen electric shipments

KITCHEN ELECTRICS TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Bag Sealers	1,929,000	2,016,000	−4.3
Blenders	4,738,000	4,587,000	+3.3
Broilers, total	**2,125,000**	**2,205,000**	**−3.6**
With Rotisseries	370,000	385,000	−3.9
Without Rotisseries	1,755,000	1,820,000	−3.6
Can Openers, total	**5,680,000**	**5,439,000**	**+4.4**
Single Unit	3,181,000	2,978,000	+6.8
Combination Units	2,499,000	2,461,000	+1.5
Coffee Grinders	452,000	393,000	+15.0
Coffeemakers, total	**13,091,000**	**12,690,000**	**+3.2**
ADC	9,388,000	9,027,000	+4.0
Automatic (1–16 cup)	2,793,000	2,763,000	+1.1
Party Perc (over 16)	910,000	900,000	+1.1
Convection Ovens (countertop)	258,000	300,000	−14.0
Cornpoppers, total	**5,806,000**	**5,778,000**	**+0.5**
Hot Air	3,750,000	3,862,000	−2.9
Hot Oil	2,056,000	1,916,000	+7.3
Crepe Pans	196,000	206,000	−4.9
Deep Fryers, total	**3,167,000**	**3,031,000**	**+4.5**
Mini	1,698,000	1,632,000	+4.0
Regular	1,469,000	1,399,000	+5.0
Egg Cookers	407,000	415,000	−1.9
Fondues (electric)	152,000	178,000	−14.6
Food Mixers, total	**5,295,000**	**5,217,000**	**+1.5**
Stand Type	1,198,000	1,208,000	−0.8
Portable, Hand Type	4,097,000	4,009,000	+2.2
Food Processors	2,728,000	2,689,000	+1.5
Food Slicers (electric)	510,000	488,000	+4.5
Frypans/Skillets (electric)	2,740,000	2,632,000	+4.1
Griddles/Quick Grills	555,000	554,000	+0.2
Hotplates & Buffet Ranges	955,000	905,000	+5.5
Ice Cream Makers	1,370,000	1,348,000	+1.6
Ice Crushers	184,000	178,000	+3.4
Irons, total	**11,393,000**	**10,797,000**	**+5.5**
Steam & Steam/Spray	10,706,000	10,216,000	+4.8
Automatic Dry	385,000	380,000	+1.3
Travel	302,000	201,000	+50.2
Pasta Makers (electric)	381,000	350,000	+8.9
Slicing Knives	1,490,000	1,580,000	−5.7
Slow Cookers	5,363,000	5,500,000	−2.5
Tea Kettles (electric)	87,000	70,000	+24.3
Toasters, total	**9,290,000**	**8,934,000**	**+4.0**
Two-Slice	4,594,000	4,453,000	+3.2
Four-Slice	1,671,000	1,653,000	+1.1
Toaster Ovens (without Broilers)	868,000	840,000	+3.3
Toaster Ovens (with Broilers)	2,157,000	1,988,000	+8.5
Waffle Irons/Sandwich Grills	1,290,000	1,152,000	+12.0
Woks (electric)	594,000	560,000	+6.1

KITCHEN ELECTRICS SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	3%	3%
Catalog Chain (Sears, Penneys, etc.)	12%	12%
Catalog Showroom	24%	23%
Department Store	11%	12%
Discount Store	30%	29%
Drug Store	4%	4%
Home Improvement Center	1%	1%
Housewares/Hardware Store	6%	6%
Supermarket	2%	2%
Variety Store	4%	4%
Other	3%	4%

The upswing in the economy is manifesting itself in factory shipment increases for a wide range of kitchen electrics.

One beneficiary is coffee-making equipment, as consumers continue to indulge their taste for good coffee by purchasing all types of machines and grinders. Some department stores are even going so far as to sell fresh coffee beans in their electrics departments to keep pace with this trend. As a consequence, vendors are predicting a 15 percent rise in shipments of coffee grinders and a 3.2 percent jump in coffee maker shipments this year.

A number of traditional products are getting a new lease on life. Many manufacturers have met consumer demand for appliances that fit into smaller kitchens by coming out with wall- and cabinet-mountable units, or hand-held devices. For example, the can opener has benefitted from this trend, and projected factory shipments are expected to increase 4.4 percent.

The much-discussed trend to entertaining at home also appears to be continuing. As one result, shipments of hot plates and buffet ranges are expected to go up 5.5 percent in 1983 and electric wok shipments are projected to rise 6.1 percent.

Another hot product is the electric tea kettle. Although quantities still are small, the product is expected to show a 24.3 percent increase in shipments this year. A perennial favorite in Europe and Canada, the electric tea kettle is just starting to come on strong in the U.S. as consumers become aware of its many benefits. As one manufacturer pointed out, it can work 25 percent faster and use 35 percent less energy than a non-electric tea kettle. Plus it frees up a burner on the stove.

Not all kitchen electrics, however, are doing so well. The hot-air corn popper, for one, appears to have peaked after many years of growth. It's hot-oil counterpart is doing better, though, perhaps propelled by the interest in flavored popcorn this year.

The convection oven, a product that never quite caught on, is expected to show further erosion in shipments in 1983. They are expected to plummet 14 percent.

—MG

COOKWARE

Most types of cookware should demonstrate gains in shipments

With microwave ovens rebounding from their 1982 slump, microwave cookware, bakeware and appliances also have prospered. Vendors are predicting across-the-board increases in shipments of these products, especially plastic cookware, expected to rise 14.4 percent. Only pizza crisper shipments are projected to decline, dropping to 24,000 units.

Sales of microwave cookware and accessories have progressed as oven owners have become more proficient in using the cooking medium. Sales also have been enhanced by cooking classes given by dealers, who have been continuing to add more challenging classes to appeal to graduates of basic lessons. Some stores are heading in some very unusual directions, going so far as to push sales by selling raw chocolate and featuring candy making in their cooking classes.

Metal cookware up

Shipments of metal cookware coated with a special non-stick surface are forecast to reach 53,090,000 units, a 12.5 percent increase over 1982. Many consumers, concerned about their health, are turning to these products to eliminate fat from their cooking, opening new sales opportunities.

In fact, vendors are predicting a 7.8 percent increase in shipments for all categories of metal cookware and bakeware. Stainless steel appears to be having the brightest year, with estimates of a 10.3 percent growth rate. Now that the economy is in better shape, consumers appear willing to invest in better quality stainless steel units.

Only pressure cookers get a poor reading for 1983. The category as a whole is expected to drop off 6.7 percent in units shipped. Perhaps the improving economy already is leaving consumers less interested in such money-saving devices.

—MG

COOKWARE TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Metal Cookware and Bakeware, total	**114,580,000**	**106,298,000**	**+7.8**
Aluminum	71,695,000	66,384,000	+8.0
Stainless Steel	28,650,000	25,975,000	+10.3
Enamel	7,152,000	7,151,000	+0.1
Cast Iron	4,684,000	4,391,000	+6.7
Porcelain Enamel on Cast Iron	2,399,000	2,397,000	+0.1
Metal Cookware coated with a non-stick surface	53,090,000	47,191,000	+12.5
Microwave Cookware and Bakeware, total	**20,672,000**	**19,125,000**	**+8.1**
Plastic	8,849,000	7,735,000	+14.4
Ceramic	4,461,000	4,257,000	+4.8
Glass	4,428,000	4,262,000	+3.9
Stoneware	2,062,000	2,031,000	+1.5
Other	872,000	840,000	+3.8
Microwave Appliances, total	**642,000**	**587,000**	**+9.4**
Cornpoppers	574,000	518,000	+10.8
Coffeemakers	15,000	14,000	+7.1
Pizza Crispers	24,000	29,000	−17.2
Steamers	29,000	26,000	+11.5
Pressure Cookers, total	**2,539,000**	**2,721,000**	**−6.7**
Regular	1,681,000	1,818,000	−7.5
Low-Pressure	858,000	903,000	−5.0
Electric	275,000	294,000	−6.5
Non-Electric	2,264,000	2,427,000	−6.7

METAL COOKWARE SALES BY TYPE OF OUTLET

	1983	1982
Catalog Chain (Sears, Penneys, etc.)	11%	9%
Catalog Showroom	14%	13%
Department Store	18%	18%
Discount Store	25%	25%
Drug Store	2%	2%
Gourmet/Gift Shop	8%	10%
Housewares/Hardware Store	8%	9%
Supermarket	7%	6%
Variety Store	2%	2%
Other	5%	6%

COOKWARE PERCENTAGE OF SALES BY TYPE

	1983	1982
Inexpensive (light gauge metal, etc.)	25%	27%
Moderate (heavier gauge metal with SilverStone or other non-stick surface)	49%	51%
Expensive ("gourmet" items in copper, etc.)	26%	22%

Fans and portable heaters expected to turn in gains

NINTH ANNUAL

HOUSEWARES

Statistical and Marketing Report

AIR TREATMENT

Shipments of portable electric heaters are expected to rise 3.2 percent this year to 4,757,000 units, reflecting their usefulness as energy-saving devices.

Consumers are continuing to buy the traditional fan-forced units, whose shipments are forecast to be up 4.7 percent. But the really hot category is the oil-filled heater, introduced in this country only a few years ago; shipments are predicted to rise an impressive 11.6 percent to 492,000 units. All is not rosy here, however, as price cutting tendencies on the part of a number of importers threaten the viability of the product, according to some companies.

With heat waves blanketing the nation this summer, manufacturers see fans in a favorable light, predicting a 2.5 percent increase in shipments to 20,237,000 units. Substantial gains are expected of a cross-section of fan categories.

Ceiling fans are forecast to enjoy a modest one percent growth in shipments, although price points on these fans are expected to drop markedly. While 50 percent of ceiling fans sold at retail for under $150 last year, vendors predict that figure will jump to 85 percent in 1983.

Retailers should see a big increase in kerosene heater sales in the coming heating season now that the Consumer Product Safety Commission has declared that they are safe when used as directed. That announcement should offset the negative publicity given to the heaters last year by Consumer Reports. Warm weather also contributed to lackluster sales of the heaters last season. Nevertheless, with all the unsold units sitting on the shelves, shipments to retailers are expected to be down 20.8 percent this year.

Manufacturers anticipate a modest 2.7 percent increase in shipments of air purifiers—a sign that the category is maturing after its explosive growth in recent years. High-end ionization devices, however, should continue to grow, with a 34.5 percent increase expected.

—MG

OIL-FILLED HEATER SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	1%	1%
Catalog Chain (Sears, Penneys, etc.)	8%	8%
Catalog Showroom	15%	15%
Department Store	38%	36%
Discount Store	18%	17%
Drug Store	1%	1%
Home Improvement Center	2%	3%
Housewares/Hardware Store	16%	18%
Other	1%	1%

AIR TREATMENT SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	1%	1%
Catalog Chain (Sears, Penneys, etc.)	17%	18%
Catalog Showroom	14%	12%
Department Store	9%	10%
Discount Store	39%	38%
Drug Store	5%	5%
Home Improvement Center	3%	3%
Housewares/ Hardware Store	11%	12%
Other	1%	1%

AIR TREATMENT TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Fans, total	**20,237,000**	**19,751,000**	+2.5
Window	5,385,000	5,770,000	−6.7
Kitchen/Bathroom Built-In Exhaust	3,045,000	2,827,000	+7.7
Range and Oven Hoods	2,488,000	2,278,000	+9.2
Desk, Bracket, Pedestal	3,293,000	2,843,000	+15.8
Hassock/ Roll-About	908,000	966,000	−6.0
Ceiling	5,118,000	5,067,000	+1.0
Portable Electric Heaters, total	**4,757,000**	**4,609,000**	+3.2
Oil-Filled	492,000	441,000	+11.6
Fan-Forced	2,963,000	2,829,000	+4.7
Non-Fan-Forced	175,000	173,000	+1.2
Baseboard	228,000	240,000	−5.0
Quartz	899,000	926,000	−2.9
Kerosene Heaters	3,153,000	3,981,000	−20.8
Humidifiers	898,000	895,000	+0.3
Vaporizers	1,754,000	1,808,000	−3.0
Air Purifiers, total	**5,800,000**	**5,650,000**	+2.7
Filtration Devices	5,060,000	5,100,000	−0.8
Ionization Devices	740,000	550,000	+34.5

CEILING FAN SALES BY RETAIL PRICE RANGE

	1983	1982
Under $100	35%	20%
$100-150	50%	30%
$151-$200	13%	47%
$201-$250	1%	2%
Over $250	1%	1%

Popular hand-held vacs lead growth in floor care shipments

FLOOR CARE

The increase in housing starts this year appears to be giving the floor care industry a welcome boost. Sales of vacuum cleaners are expected to jump, with every type of unit showing some growth. Total shipments are projected to increase 14.3 percent to some 8,693,000 units.

The big news this year is in the hand-held vacuum. Both corded and rechargeable units are doing well here, and shipments are expected to rocket 57 percent to a total of 394,000 units.

Hand-helds are finding a niche in many locations. Consumers are buying them to clean all those new cars they're buying as the recovery gets underway. Computer owners are finding them handy for keeping their sensitive peripherals dust-free. Hoover is even building a hand-held into some of its more expensive uprights this year.

Lightweight stick-style vacuums also are doing well. The trend toward saving space in housewares products is giving this product a push. It is also popular among consumers who feel the need to own more than just one vacuum. As a result, shipments are expected to jump 5.3 percent, to one million units in 1983.

In more traditional vacuums, a number of manufacturers have decided to jazz up their products with electronic features that either control the action or monitor how the vacuum is performing.

And although such units are more expensive, consumers appear to be responding as they search for more power and greater convenience.

As a result, canister vacuum shipments are expected to increase 14.2 percent this year to 2,742,000 units. Uprights are expected to generate a 13.9 percent jump to 4,557,000 units shipped.

Prices are up

Price points appear to be rising too. Vendors predict that 45 percent of all the units shipped this year will carry a retail price tag of more than $100. This compares with 43 percent last year.

Department stores are expected to benefit from this shift to the high end. They are projected to garner a greater share of the market this year, selling 16 percent of the vacuums compared with 15 percent in 1982. Also up are housewares/hardware stores, with five percent of the market compared with four percent last year.

Showing decreases in market share are appliance/TV stores, down to three percent from four percent and catalog chains such as Sears, down to 22 percent from 23 percent. All others are expected to remain unchanged.

At the non-vacuum end of the floor care market, the good old carpet sweeper is projected to show an increase in units shipped this year, up almost 10 percent. Shipments should reach 1,727,000 units, up from 1,571,000.

Only floor polishers are expected to lose ground, turning in a 4.3 percent decline in shipments to 200,000 from 209,000 the year before.

—MG

FLOOR CARE TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Vacuum Cleaners, total	**8,693,000**	**7,6[illegible]3,000**	+14.3
Canister	2,742,000	2,401,000	+14.2
Upright	4,557,000	4,001,000	+13.9
Lightweight, total	**1,394,000**	**1,201,000**	+16.1
Hand-Held	394,000	251,000	+57.0
Sticks	1,000,000	950,000	+5.3
Carpet Sweepers	1,727,000	1,571,000	+9.9
Floor Polishers	200,000	209,000	−4.3

FLOOR CARE SALES BY TYPE OF OUTLET

	1983	1982
Appliance/TV Store	3%	4%
Catalog Chain (Sears, Penneys, etc.)	22%	23%
Catalog Showroom	18%	18%
Department Store	16%	15%
Discount Store	16%	16%
Door-to-Door	7%	7%
Drug Store	1%	1%
Furniture Store	1%	1%
Home Improvement Center	1%	1%
Housewares/ Hardware Store	5%	4%
Vac Shop	8%	8%
Other	2%	2%

VACUUM CLEANER SALES BY RETAIL PRICE RANGE

	1983	1982
Under $70	28%	33%
$70-100	27%	24%
$101-$150	16%	14%
Over $150	29%	29%

Home healthcare products will exhibit strong growth

NINTH ANNUAL

HOUSE-WARES

Statistical and Marketing Report

PERSONAL CARE

The personal care area has been shaken up by the creation of a brand new category—home healthcare appliances. As consumers continue to take a preventative approach to healthcare, such products as blood pressure monitors, massagers, oral hygiene devices and digital bathroom scales are finding their way into more and more households. The healthcare phenomenon has brought several new vendors into the market in recent months and others are expected to follow suit soon.

The cornerstone of this new category is the blood pressure monitor, tracked by *Merchandising* for the first time this year. Manufacturers are predicting that factory shipments of the product will shoot up 21.2 percent, to 2,000,000 units. One vendor said that the blood pressure monitor will explode into a billion-dollar product by 1990.

Shipments of digital bathroom scales are projected to jump to 1,394,000 units this year, a 17.1 percent increase. Massagers of all stripes—hand-held, shower and foot—are expected to flow more freely from the factory, and shipments of whirlpool baths are predicted to rise too.

Several factors are at work here. The tremendous growth in the popularity of health spas and physical fitness centers across the country, the continuing interest in athletic activities like jogging and squash, and the preoccupation with weight and physical appearance have all contributed to increasing sales of these healthcare products.

In addition, the rising cost of dental care and the aging of the population have led to an intensified concern about oral hygiene. Shipments of oral hygiene devices are expected to be up 6.4 percent in 1983; both water pulsators and electric toothbrushes are projected to have shipment increases.

Elsewhere in personal care, shipments of curling brushes and dry curling irons are forecast to be up, 10 percent and 10.7 percent respectively. Plummeting price points and the desire of many women to achieve a natural hair style are generating sales of these products. The decision of several vendors to include hair care units in blister packaging should produce even greater factory shipments next year.

Hair dryer shipments are expected to drop this year, with the exception of the pistol hair dryer. The space-saving convenience of the pistol dryer, plus its use as a travel appliance, has helped it to dominate the field.

—MG

PERSONAL CARE TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Bathroom Scales, total	**6,621,000**	**6,178,000**	**+7.2**
Regular	5,227,000	4,988,000	+4.8
Digital	1,394,000	1,190,000	+17.1
Blood Pressure Monitors	2,000,000	1,650,000	+21.2
Curling Brushes	2,200,000	2,000,000	+10.0
Curling Irons/ Styling Wands, total	**6,007,000**	**5,984,000**	**+0.3**
Dry	4,521,000	4,084,000	+10.7
Mist	1,486,000	1,900,000	−21.8
Facial Saunas	733,000	650,000	+12.8
Foot Massagers/Baths	1,830,000	1,615,000	+13.3
Hair Dryers, total	**18,232,000**	**18,413,000**	**−1.0**
Pistol	14,081,000	13,398,000	+5.1
Styling	3,228,000	4,000,000	−19.3
Hard Top	579,000	605,000	−4.3
Soft Bonnet	344,000	410,000	−16.1
Hair Setters, total	**2,986,000**	**2,843,000**	**+5.0**
Dry	1,804,000	1,599,000	+12.8
Mist	1,182,000	1,244,000	−5.0
Heating Pads	4,156,000	4,267,000	−2.6
Make-Up Mirrors	1,704,000	1,729,000	−1.4
Massagers, Hand-Held	1,274,000	1,142,000	+11.6
Massagers, Shower	2,470,000	2,250,000	+9.8
Oral Hygiene Devices, total	**1,729,000**	**1,625,000**	**+6.4**
Water Pulsators	1,170,000	1,091,000	+7.2
Electric Toothbrushes	559,000	534,000	+4.7
Shavers, total	**6,250,000**	**6,367,000**	**−1.8**
Men's	5,067,000	5,031,000	+0.7
Women's	1,183,000	1,336,000	−11.5
Whirlpool Baths, Portable	125,000	118,000	+5.9

PERSONAL CARE SALES BY TYPE OF OUTLET

	1983	1982
Catalog Chain (Sears, Penneys, etc.)	8%	7%
Catalog Showroom	31%	31%
Department Store	8%	9%
Discount Store	33%	32%
Drug Store	12%	13%
Housewares/ Hardware Store	4%	5%
Variety Store	2%	2%
Other	2%	1%

HAIR DRYER SALES BY WATTAGE

	1983	1982
Less than 500	1%	1%
500–750	2%	3%
800–950	5%	9%
1,000–1,200	49%	59%
Over 1,200	43%	28%

ELECTRIC SHAVER SALES BY RETAIL PRICE RANGE

	1983	1982
Under $20	16%	18%
$20–$34.99	39%	35%
$35–$49.99	33%	32%
$50–$75	11%	14%
Over $75	1%	1%

Long hot summer propels shipments of outdoor products

OUTDOOR PRODUCTS

A hot summer brought many consumers out of doors to do their cooking. As a result shipments of all types of grills are expected to rise this year; the category as a whole is estimated to increase to 13,083,000 units shipped, a 3.5 percent jump from last year.

Gas grills are experiencing the best growth in 1983. As price points of these grills fall, consumers are choosing them over less-expensive charcoal units. Although the initial investment in a gas grill is still greater, more consumers realize they may well save money over the life of the product, besides benefitting from the convenience factor. Vendors are anticipating an 8.5 percent growth in shipments of gas grills, to 1,830,000 units.

Electric grills are expected to rise 1.6 percent in units shipped this year to 127,000. Most vendors say that this is still pretty much a specialty product, receiving most of its distribution through department stores and outlets of this kind.

Charcoal shipments up

Charcoal grills are expected to grow modestly in shipments this year, rising 2.8 percent to 11,126,000 units. The big increases are projected to be in picnic grills and smokers, while wagons are forecast to drop off precipitously.

Some vendors are spending more on promotions and advertising of high-end charcoal grills, trying to establish them as gourmet cooking devices that can be used in lieu of kitchen ovens in the summer. Indeed, many consumers have only been too happy to get out of their kitchens and cook in their backyards.

Grills as a whole have been experiencing a kind of rebirth as many consumers are using two or three grills for a variety of purposes. One large backyard grill is still standard, while a medium size grill is being applied to entertaining smaller groups. The portable grill has become quite popular at the beach, for tailgating before sporting events or concerts, or in picnic areas, among many other locations.

The primary beneficiaries of the increased action in grills are expected to be discount stores and catalog showrooms. These outlets are capitalizing on the trend toward lower price points in this category.

The one drawback to cooking on a grill this summer has been the onslaught of bugs brought on by a spring that features above-average amounts of rainfall. But consumers have fought back by purchasing electronic bug killers. Shipments of these units are estimated to be up 16.3 percent to 1,250,000 units.

—MG

OUTDOOR PRODUCTS TOTAL FACTORY SHIPMENTS

	1983	1982	% of Change
Barbecue Grills, total	**13,083,000**	**12,638,000**	**+3.5**
Gas	1,830,000	1,687,000	+8.5
Electric	127,000	125,000	+1.6
Charcoal, total	**11,126,000**	**10,826,000**	**+2.8**
Braziers	1,018,000	1,032,000	−1.4
Fireplace	5,000	5,000	0.0
Hibachis	2,400,000	2,405,000	−0.2
Picnic Grills	4,368,000	4,117,000	+6.1
Smokers	3,171,000	3,079,000	+3.0
Wagons	164,000	188,000	−12.8
Electronic Bug Killers	1,250,000	1,075,000	+16.3

BARBECUE GRILL SALES BY TYPE OF OUTLET

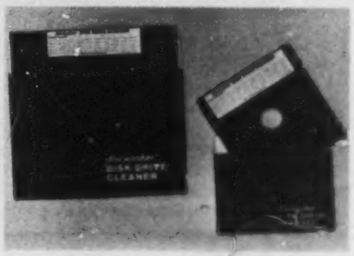
	1983	1982
Appliance/TV Store	5%	8%
Catalog Chain (Sears, Penneys, etc.)	21%	22%
Catalog Showroom	13%	10%
Department Store	3%	4%
Discount Store	32%	31%
Home Improvement Center	9%	7%
Housewares/ Hardware Store	6%	5%
L.P. Gas Dealer	7%	10%
Other	4%	3%

Discwasher adds suppressor, disk, cassette drive cleaners

COLUMBIA, MO—Among the computer accessories from Discwasher are a powerline/monitor/protection device, disk drive and cassette drive cleaners.

The two-stage, surge/spike charge suppressor has both EMI and RFI filtering. The device prevents surges of electricity in the power lines which can erase the program in the computer or damage the unit itself. It comes either as a wall unit which plugs into the wall socket or as a power switch with five-ft. cord.

The nonabrasive disk drive cleaner uses a fiber grid cleaning system to dislodge and collect foreign matter from drives. In the form of a cleaning disk, it needs no fluids and is simply loaded into the device like any ordinary disk. In the 5¼-in. format, the product lists for $24.95; the eight-in. retails for $29.95.



Discwasher drive cleaner

For cassette players, Discwasher's computer cassette cleaner slips directly into the recorder and is designed to clean the drive head within 15 seconds. The cleaner is nonabrasive and uses no alcohol or fluids. For capstan pinch rollers within the cassette player, Discwasher is offering a cassette drive mechanism cleaner. Both are packed together for a suggested retail price of $24.95.

Discwasher, 1407 N. Providence Road, P.O. Box 6021, M, Columbia, MO 65205.

Loran introduces 5¼-in. floppy disks

WARREN, PA—Loran has added 5¼-in. floppy disks to its lineup of computer cassettes.

The soft-sector floppy disk initially is packaged in 10-packs and two-packs in the single-sided, double-density version, or 48 tracks per in. (TPI). A storage notebook will be sold with selected 10-pack purchases as a special introductory offer.

Each disk features a full lifetime warranty, barring any misuse by the purchaser. The disks also offer mylar hub rings to eliminate slippage and seating problems.

The company is scheduled to release double-sided, double-density disks at 48 and 96 TPI, and a single-sided, double-density version at 96 TPI this month.

Loran, 38 Clark St., M, Warren, PA 16365.

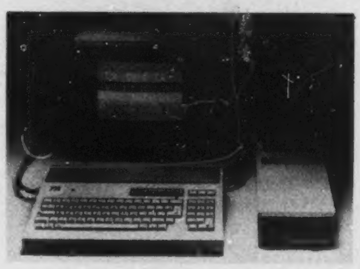
Royal launches computer with 64K RAM, Z-80 card

WINDSOR, CT—Royal Business Machines has entered the personal computer market with the Alphatronic.

The computer includes a Z80 microprocessor with 64K RAM and 32K ROM. The unit offers built-in interfaces to connect a cassette recorder, disk drives and Centronics-type printers. An RS-232 interface connects printers and other peripherals with a power supply built right in.

Screen display formats handle a choice of 80 columns by 24 rows, 80 columns by 16 rows, 40 columns by 24 rows and 40 columns by 16 rows. A built-in CRT controller, interrupt controller, direct video, composite for a black-and-white monitor and an antenna input for both black & white and color TV via RF modulator are also featured. The computer also provides access to an eight-color foreground and eight-color background display and semi-graphic capabilities of 160 by 72 pixels for CRT monitor and 80 by 72 for TV.

The keyboard houses a built-in Microsoft and BASIC interpreter, a 79-character user-friendly panel with six programmable function keys (ASCII format), a numeric keypad and cursor control keys, two oversize return keys and a card holder for key function references at a glance.



Royal personal computer

The user can also purchase a 16K ROM cassette module which plugs into the top side of the terminal (under the removable cover) for optional game and tutorial software, and two 5¼-in. disk drives. The stackable double-density drives include one with controller and one without. Each has 320K storage capacity.

Suggested retail price on the Royal computer is $695.

Royal Business Machines, 500 Day Hill Road, M, Windsor, CT 06095.

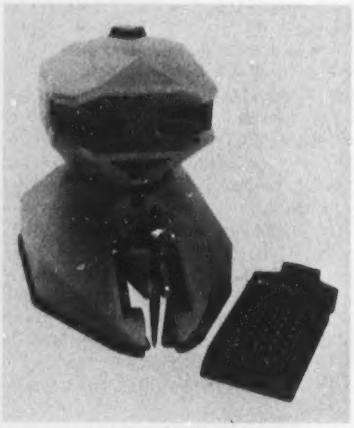
Androbot intros F.R.E.D. under $300

SUNNYVALE, CA—F.R.E.D., a tabletop version in Androbot's family of personal robots, has been introduced for under $300 suggested retail. This robot can be operated by using a home computer or by a separate remote infrared controller, thus broadening its use to consumers who don't own a computer.

When placed on a tabletop or flat surface, F.R.E.D. can perform any series of movements without tipping over. His mechanical sensors automatically tell him to avoid edges. The robot can also write with a drawing pen attachment, executing precise renditions of complex computer shapes designed on the screen, the firm said.

Packaged with F.R.E.D. is a mini AndroWagon, enabling him to transport small items from room to room. Planned options, including an accessory arm, are currently under development. As with predecessors B.O.B. and Topo, F.R.E.D.'s basic design allows for expansion via future software, such as a voice synthesizer for user-programmable speech, the company added.

Androbot, Inc., 1287 Lawrence Station Road, M, Sunnyvale, CA 94086.



Androbot's F.R.E.D.

Apple markets monochrome display

CUPERTINO, CA—Apple Computer is marketing a monochrome video display for its Apple II series of personal computers.

The style-complementary monitor offers an 80-column text and graphics display, anti-reflective high-contrast screen and a tilt mechanism for adjusting its angle.

Its 12-in. screen displays up to 24 lines of text and high-resolution graphics in green phosphor. A contrast control knob is located on the right side of the monitor case. Other controls include vertical hold, vertical amplitude and brightness. Video cables provided with Apple II series computers work with the monitor.

The Monitor II lists for $229.

Apple Computer, Inc., 20525 Mariani Ave., M, Cupertino, CA 95014.

Merchandising's TOP 10 TEN

. . . in videogame software

	Last month's position	Months on chart
1. **Centipede** *(Atari)*	2	6
2. **Keystone Kapers** *(Activision)*	—	2
3. **Q*Bert** *(Parker Brothers)*	—	1
4. **Enduro** *(Activision)*	1	3
5. **Ms. Pac-Man** *(Atari)*	3	7
6. **Kangaroo** *(Atari)*	—	1
7. **River Raid** *(Activision)*	5	7
8. **Robot Tank** *(Activision)*	10	2
9. **Pitfall** *(Activision)*	8	7
10. **Frogger** *(Parker Brothers)*	4	6

Anchor prices modem for the masses

LOS ANGELES—The Volksmodem from Anchor Automation, being marketed at $69.95, can be used with a variety of different computer makes and models.

Customers can adapt the modem to the computer terminals by purchasing an adaptor cable specifically designed for their machine. The product connects between the terminal and the user's ordinary Touch-Tone phone.

VOLKSMODEM

Volksmodem for $69.95

Anchor Automation, Inc., 6913 Valjean St., M, Van Nuys, CA 91406.

Fuji brings floppies into U.S. market

NEW YORK—Fuji Photo Film USA, Inc. has introduced two lines of floppy disks to the American market.

The FD (eight-in.) and the MD series (5¼-in.) use the firm's RD binder system, which allows superior performance after 10 million passes, under environments ranging from 5°C. at 80 percent humidity to 40°C at 80 percent humidity.

Disks come in single- and double-sides and densities. The 5¼-in. family has a version with 96 tracks per inch.

Fuji Photo Film USA, Inc., Magnetic Tape Division, 350 Fifth Ave., M, New York, NY 10118.

Merchandising's TOP FIFTY

Top 30 in videocassette rentals

	Last month's position	Months on chart
1. 48 Hours *(Paramount)*	1	2
2. The Verdict *(CBS/Fox)*	2	2
3. Porky's *(CBS/Fox)*	—	1
4. The Toy *(RCA/Columbia)* I	7	3
5. High Road to China *(Warner)*	3	2
6. Sophie's Choice *(CBS/Fox)* GI	4	3
7. First Blood *(Thorn EMI)* GI	5	4
8. Mad Max *(Vestron)*	6	2
9. An Officer and a Gentleman *(Paramount)* GP	8	7
10. Beastmaster *(MGM/UA)*	—	1
11. Frances *(Thorn EMI)*	9	3
12. The Road Warrior *(Warner)* G	17	7
13. Lords of Discipline *(Paramount)*	11	3
14. Best Friends *(Warner)* G	10	3
15. My Favorite Year *(MGM/UA)*	12	3
16. Kiss Me Goodbye *(CBS/Fox)*	13	3
17. My Tutor *(MCA)*	—	1
18. Playboy Video, Vol. III *(CBS/Fox)*	—	1
19. Jane Fonda's Workout *(Karl)* GPI	27	13
20. Still Smokin' *(Paramount)*	—	1
21. Still of the Night *(CBS/Fox)*	18	3
22. Six Weeks *(RCA/Columbia)*	—	1
23. Fast Times at Ridgemont High *(MCA)*	30	7
24. That Championship Season *(MGM/UA)*	14	2
25. National Lampoon's Class Reunion *(Vestron)*	25	2
26. Playmate Review *(CBS/Fox)*	16	2
27. Kelly's Heroes *(MGM/UA)*	—	1
28. You Only Live Twice *(CBS/Fox)*	—	1
29. The Sting II *(MCA)*	15	2
30. The Missionary *(Thorn EMI)*	23	2

Top 10 in videocassette sales

1. 48 Hours *(Paramount)*	1	2
2. Jane Fonda's Workout *(Karl)* GPI	2	14
3. High Road to China *(Warner)*	3	2
4. An Officer and a Gentleman *(Paramount)*	6	7
5. The Verdict *(CBS/Fox)*	4	2
6. Porky's *(CBS/Fox)*	—	1
7. Alice in Wonderland *(Disney)*	8	3
8. Playboy Video, Vol. III *(CBS/Fox)*	—	1
9. Mad Max *(Vestron)*	7	2
10. Winnie-the-Pooh *(Disney)*	—	2

Top 5 in CED videodisc sales

1. 48 Hours *(RCA VideoDiscs)*	—	1
2. The Verdict *(RCA VideoDiscs)*	2	2
3. Porky's *(CBS/Fox)*	—	1
4. The Toy *(RCA VideoDiscs)*	4	2
5. Fast Times at Ridgemont High *(MCA)*	—	1

Top 5 in laserdisc sales

1. 48 Hours *(Paramount)*	2	2
2. 2001: A Space Odyssey *(MGM/UA)*	—	1
3. Porky's *(CBS/Fox)*	—	1
4. An Officer and a Gentleman *(Paramount)* GPI	1	8
5. Superman II *(Warner)* G	—	1

G —Title has gone gold—has sold 20,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P —Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I —Golden Videocassette award—has reached return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

CBS/FOX

THE MAN FROM SNOWY RIVER Set on the Australian frontier in the 1880's, this film follows a handsome youth (Tom Burlinson) who attempts the challenge of taming a herd of wild horses. Kirk Douglas co-stars. *Color 104 minutes C: $59.98.*

THE PRINCE CHARMING REVUE British New Wave rock group Adam and the Ants bring their music and elaborate staging and performance to the home screen. *Color 74 minutes C: $39.98 CED: $29.98.*

MASTERVISION

BASIC GERMAN BY VIDEO For those who want to develop a working vocabulary, this cassette teaches 1,000 words and phrases by showing situations on the screen with subtitles in German and English. *C: $69.95.*

BASIC ITALIAN BY VIDEO *C: $69.95.*

BASIC SPANISH BY VIDEO *C: $69.95.*

JOAN SUTHERLAND IN THE MAKING OF LAKME Covers the presentation of this work from start to finish. *C: $59.95.*

MAHALIA JACKSON SINGS SPIRITUALS *C: $59.95.*

TCHAIKOVSKY COMPETITION: VICTORIA MULLOVA ET AL. Classical music for violin and piano. *Stereo & Beta Hifi C: $69.95.*

VERDI'S RIGOLETTO AT VERONA Opera in the ancient Roman amphitheater. *115 minutes Stereo & Beta Hifi C: $69.95.*

MCA

THE BANK DICK (1940) The classic W.C. Fields flick. *B/W 73 minutes C: $29.95.*

BUCK PRIVATES (1941) Hey Abboooott! Abbott and Costello as two dimwitted tie salesmen who bring their antics to the Army. The Andrew Sisters do some crooning here, too. *B/W 84 minutes C: $39.95.*

MGM/UA

THE BEST OF POPEYE (1983) In How Green Is My Spinach and seven other episodes, Popeye, Olive Oil, Bluto and the rest are up to their old tricks. *Color 56 minutes C: $29.95 CED: $29.95.*

GUMBY'S HOLIDAY SPECIAL (1956) Eight adventures with Gumby and his horse Pokey, including four Christmas episodes. *Color 60 minutes C: $29.95.*

GIRL GROUPS: THE STORY OF A SOUND Original footage of performances as well as interviews with those involved make up this history of groups such as the Supremes, the Ronettes and the Shirelles. *C: $59.95 In October, CED: $29.95.*

GOLDEN AGE OF TELEVISION A new series of programs from MGM/UA and Sonny Fox Productions, the Golden Age of Television debuts with the release of The Days of Wine and Roses, starring Cliff Robertson and Piper Laurie *(C: $29.95)*, and a double feature of Marty, with Rod Steiger and Nancy Marchand, and A Wind from the South, with Julie Harris, Michael Higgens and Donald Woods *(C: $39.95).*

PACIFIC ARTS

BOB & RAY, JANE, LARAINE & GILDA A series of skits with the famous comedy team and Jane Curtin, Laraine Newman and Gilda Radner from Saturday Night Live. Special guests are Leon Russell and Willie Nelson. *Color 75 minutes C: $59.95.*

A DOONESBURY SPECIAL Zonker, Joanie Caucus, Mike and the gang are together again, this time on video. Written, produced and directed by Doonesbury creator Garry Trudeau, this tape was nominated for an Academy Award in 1978. *Color 30 minutes C: $39.95.*

PARAMOUNT

FLASHDANCE (1983) What a feeling! What a rapid move from box office to home screen! Good dancing, great music and attractive stars combine to make this film "the ultimate in repeatable programming," according to Paramount. Thus the low price—for sale. The firm plans national ads in magazines and on MTV and USA Cable to promote sell-through. *Color C: $39.95.*

RCA/COLUMBIA

HE-MAN AND THE MASTERS OF THE UNIVERSE Action cartoon based on the best-selling line of toys from Mattel. He-man... is designed to be a series, and the initial release consists of three volumes with two episodes in each. *Color C: $24.95 CED (from RCA VideoDiscs).*

THORN EMI

BAD BOYS (1983) Stars Sean Penn who made a splash as the surfer in Fast Times at Ridgemont High. In this film however, he is part of a mean teen gang in action on the streets of Chicago and behind the walls of the Rainford Juvenile Correctional Facility. *Color 123 minutes C: $79.95.*

THE GIFT (1982) This comedy-romance shows what happens when coworkers secretly give retiring Gregoire Dufour a lovely lady (Clio Goldsmith) as a present. *Color 105 minutes C: $69.95*

C4200-1 10/20/83

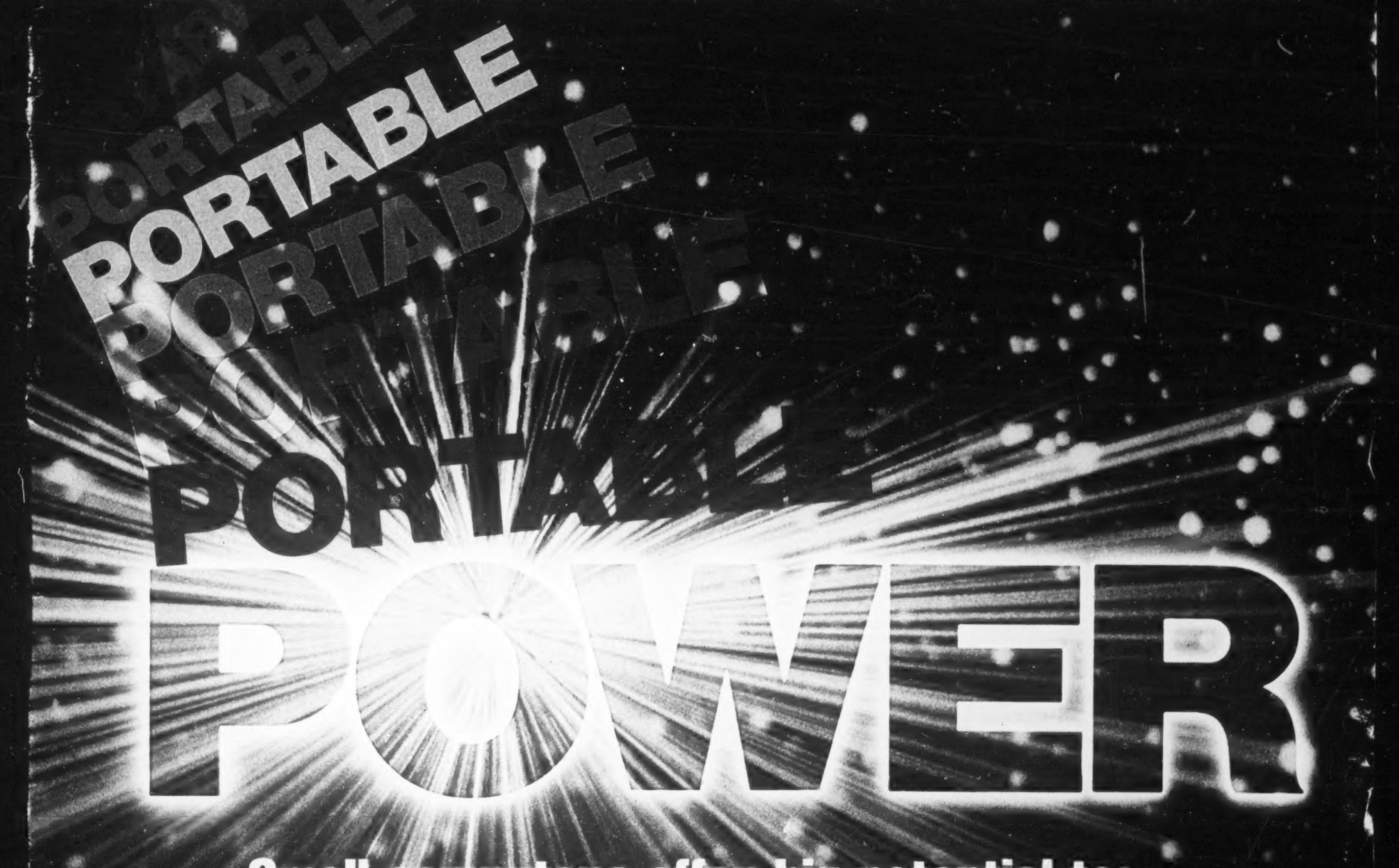
A GRALLA PUBLICATION

OCTOBER 1983

Merchandising

Home and Auto Electronics • Housewares • Major Appliances

THE NATIONAL MAGAZINE FOR HARDGOODS RETAILERS, WHOLESALERS AND DISTRIBUTORS



Small computers offer big potential to:

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- Dealers face tougher times selling profitable software
- Department stores go high-end with Intelligent Electronics
- Growing teen market could drag down software prices

hit new price points

solve old problems

sell more software

build profitability

Also in this issue:

- Refrigerator rebound moves top-of-the-line goods
- Videocassette retailers face losing product control
- Federated Group boosts phone sales 20-25% per month
- Housewares dealers prepare for a strong fourth quarter

Understanding your bank can maximize borrowing clout

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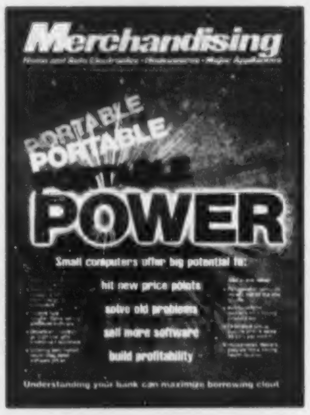
Merchandising
FOR OVER 56,200 RETAILERS & WHOLESALERS

October 1983
Our 76th Year
Vol. 8, No. 10



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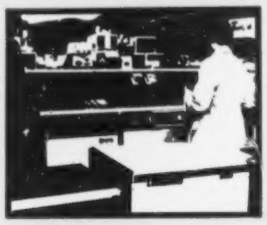

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14 Domestic suppliers say 'no threat' about Sanyo's 15-cu.-ft. refrigerator
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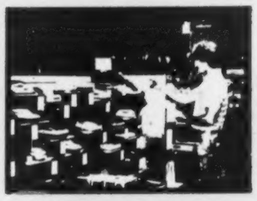
20 NATM member makes president a 'TV star,' ups sales 50 percent



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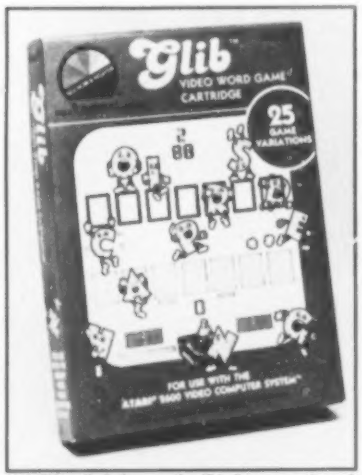
VIDEOGAMES

BLUEPRINT, CBS Electronics. Atari 2600-compatible. Available now.
FATHOM, Imagic. Atari VCS-compatible. Available now.

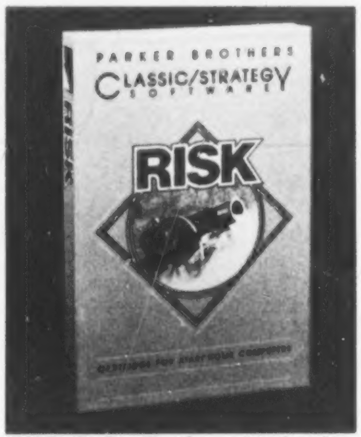

Glib
VIDEO WORD GAME CARTRIDGE
25 GAME VARIATIONS
FOR USE WITH THE ATARI 2600 VIDEO COMPUTER SYSTEM

GLIB, Selchow & Rightyer. Atari VCS-compatible. Available now.
MOONSWEEPER, Imagic. Atari VCS-compatible. Available now.
NOVA BLAST, Imagic. Mattel Intellivision-compatible. Available now.
SOLAR STORM, Imagic. Atari VCS-compatible. Available now.
THE DREADNAUGHT FACTOR, Activision. Mattel Intellivision-compatible. Available now. Suggested retail $39.95.
TRUCKIN', Imagic. Mattel Intellivision-compatible. Available now.

COMPUTERS

GAMES

ALIEN MUNCHIES, Gentry Software. Apple II series-compatible. Available now. Suggested retail $19.95.
BUZZARD BAIT, Sirius Software, Apple II series-, IBM PC-compatible. Available now. Suggested retail $39.95.
CASTLE HASSLE, Roklan. Atari series-compatible on cartridge. Available now. Suggested retail $44.95.
CRISIS MOUNTAIN, Creative Software. Commodore VIC 20, 64-compatible. Available now. Suggested retails $29.95 for VIC 20, $34.95 for 64.
DA' FUZZ, Roklan. Atari series-compatible on cartridge. Available now. Suggested retail $44.95.
HEN PECKED, Romox. TI 99/4A-compatible. Available now. Suggested retail $39.95.
KABOOM! Activision. Atari series-compatible. Available this month. Suggested retail $34.95.
MURDER ON THE ZINDERNEUF, Electronic Arts. Atari 800/1200-compatible. Available fourth quarter. Suggested retail $40.
MYSTERY MASTER: MURDER BY THE DOZEN, CBS Software. Apple II series-, IBM PC-compatible. Available now. Suggested retail $34.95.
POOYAN, Datasoft. Atari 400/800/1200-compatible. Available now. Suggested retail $34.95.
PRINCESS AND FROG, Romox. VIC 20-, TI 99/4A-compatible. Available now. Suggested retail $39.95 for TI.



RISK, Parker Brothers. Atari series-compatible. Available in November.
RIVER RAID, Activision. Atari series-compatible. Available now. Suggested retail $34.95.
ROSEN'S BRIGADE, Gentry Software. Atari series-compatible on diskette and cassette. Available now.

Merchandising's TOP 10 TEN

. . . in videogame software

	Last month's position	Months on chart
1. **Q*Bert** *(Parker Brothers)*	3	2
2. **Centipede** *(Atari)*	1	7
3. **Pole Position** *(Atari)*	—	1
4. **Enduro** *(Activision)*	4	4
5. **Ms. Pac-Man** *(Atari)*	5	8
6. **BurgerTime** *(Mattel)*	—	2
7. **Pitfall** *(Activision)*	9	8
8. **Keystone Kapers** *(Activision)*	8	3
9. **Robot Tank** *(Activision)*	8	3
10. **River Raid** *(Parker Brothers)*	7	8

Suggested retail $16.95.
S.C.I.M.M.A.R.'S, Avalon Hill. Apple II series-compatible. Available now. Suggested retail $30.
SPACE SENTINEL, T & F Software. Commodore 64-compatible. Available now.
TAXI, Romox. Atari series-compatible. Available now. Suggested retail $44.95.
T.G.I.F., Avalon Hill. Atari 800/1200-, Commodore 64-compatible. Available now.
WATERWORKS, Romox. Atari series-compatible. Available now. Suggested retail $39.95.

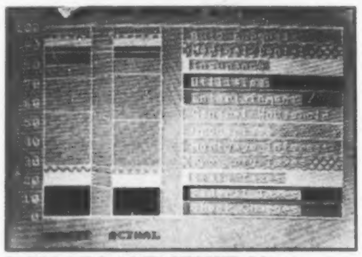
LEARNING

CREATURE CREATOR, DesignWare. Apple II-, Atari series-, and IBM PC-compatible with 48K memory. Available now. Suggested retail $39.95.
ESTIMATION SKILL BUILDER, EduSoft. Apple II-, Atari 1200-, TRS 80-compatible. Available now. Suggested retail $24.95.
FAST FACTS, EduSoft. Apple II-, Atari 1200-, TRS 80-compatible. Available now. Suggested retail $24.95.
HANDS ON BASIC PROGRAMMING, Eduware. Apple II series-compatible. Available now.
IN THE CHIPS, Creative Software, Commodore VIC 20-compatible. Available this month. Suggested retail $29.95.
MASTERING THE COLLEGE BOARD ACHIEVEMENT TESTS: ENGLISH COMPOSITION, CBS Software. Apple II series-, IBM PC-compatible. Available now. Suggested retail $175.
MASTERING THE SAT, CBS Software. Apple II series-, IBM PC-compatible. Available now. Suggested retail $150.
MASTERTYPE, Lightning Software. Apple II series- (with 48K), Atari series- (32K with disk drive), IBM-PC-compatible. Available now. Suggested retail $49.95.
MICROMATH, Hayden. Apple II-, Atari series-compatible. Available now. Suggested retail $29.95.
MICROSCOPIC JOURNEY, Hayden. Apple II series-compatible. Available now. Suggested retail $34.95.
MUSICAL MATH, Hayden. Atari-compatible. Available now. Suggested retail $34.95 on cassette or disk.
PICTURE PARTS, Roklan. Apple II-, Atari series-compatible. Available now. Suggested retail $39.95 for Apple disk, $44.95 for Atari cartridge.
PRESIDENTIAL CAMPAIGN, Timeworks. Commodore 64-compatible. Available now. Suggested retail $24.95.

SPRINT TYPER, Computer Software Associates. Commodore VIC 20-compatible. Available this month. Suggested retail $19.95.
SUCCESS WITH MATH: ADDITION/SUBTRACTION, CBS Software. Apple II series-, Atari series-compatible. Available now. Suggested retails $24.95 for disk, $19.95 for cassette.
SUCCESS WITH MATH: LINEAR EQUATIONS, CBS Software. Apple II-, Atari series-compatible. Available now. Suggested retails $24.95 for disk, $19.95 for cassette.
SUCCESS WITH MATH: MULTIPLICATION/DIVISION, CBS Software. Apple II-, Atari series-compatible. Available now. Suggested retails $24.95 for disk, $19.95 for cassette.
SUCCESS WITH MATH: QUADRATIC EQUATIONS, CBS Software. Apple II-, Atari series-compatible. Available now.. Suggested retails $24.95 for disk, $19.95 cassette.

HOME MGT

CREATABASE, PCsoftware. IBM PC-compatible. Available now.
DATA MANAGER, Timeworks. Commodore 64-compatible. Available now. Suggested retail for series range from $21.95 to $29.95.
DAIRY 64, Computer Marketing Services. Commodore 64-compatible on disk or cassette. Available now. Suggested retail $59.95.



DOLLARS AND SENSE, Monogram. Apple II series-, IBM PC-compatible. Available this quarter. Suggested retails $100 for Apple, $165 for IBM PC.
EINSTEIN COMPILER, Einstein. Apple II series-, III-compatible. Available now. Suggested retail $129.
ELECTRONIC CHECKBOOK, Timeworks. Commodore 64-compatible. Available now. Suggested retail $24.95.
FAMILY PAK, Timeworks. Timex 1000-compatible. Available now. Suggested retails range from $12.95 to $19.95.
MAGICALC, ArtSci. Apple II series-compatible. Available now. Suggested retail $149.95.
MAGIC DESK I, Commodore 64-compatible. Available now. Suggested retail for each part of series is under $100.
MAGIC MEMORY, ArtSci. Apple II series-compatible. Available now.
THE HOME ACCOUNTANT, Continental Software. Apple II-, Atari-, Commodore 64-, IBM PC-, Kaypro-, Osborne-, TRS-80 Model III-compatible. Available now. Suggested retails range from $74.95 to $150.
SILVERSOFT, Douthett Enterprises. IBM PC-, CP/M 86-compatible. Silver Series of four programs available for $295 suggested retail.
SOFTAX, Design Trends. Apple II series-, III-, IBM PC/XT-compatible. Suggested retail $199 for homeowner version, $499 for preparer version.
THE MONEY MANAGER, Timeworks. Commodore 64-compatible. Available now. Suggested retails range from $21.95 to $29.95.

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

	Last month's position	Months on chart
1. **48 Hours** *(Paramount)*	1	3
2. **Porky's** *(CBS/Fox)*	3	2
3. **Flashdance** *(Paramount)*	—	1
4. **The Verdict** *(CBS/Fox)*	2	3
5. **Bad Boys** *(Thorn EMI)*	—	1
6. **The Outsiders** *(Warner)*	—	1
7. **Sophie's Choice** *(CBS/Fox)*GI	6	4
8. **High Road to China** *(Warner)*	5	3
9. **Beastmaster** *(MGM/UA)*	10	2
10. **First Blood** *(Thorn EMI)* GI7	7	5
11. **The Toy** *(RCA/Columbia)* I	4	4
12. **An Officer and a Gentleman** *(Paramount)* GPI	9	8
13. **Table for Five** *(CBS/Fox)*	—	1
14. **The Man from Snowy River** *(CBS/Fox)*	—	1
15. **Six Weeks** *(RCA/Columbia)*	22	2
16. **Mad Max** *(Vestron)*	8	3
17. **Still Smokin'** *(Paramount)*	20	2
18. **King of Comedy** *(RCA/Columbia)*	—	1
19. **Frances** *(Thorn EMI)*	11	4
20. **You Only Live Twice** *(CBS/Fox)*	28	2
21. **Playboy Video, Vol III** *(CBS/Fox)*	18	2
22. **The Sting II** *(MCA)*	29	3
23. **My Favorite Year** *(MGM/UA)* G	15	4
24. **The Road Warrior** *(Warner)* G	12	8
25. **Night Shift** *(Warner)*	—	6
26. **Savannah Smiles** *(Embassy)*	—	2
27. **Best Friends** *(Warner)* G	14	4
28. **The Final Countdown** *(Vestron)*	—	1
29. **My Tutor** *(MCA)*	17	2
30. **Independence Day** *(Warner)*	—	1

Top 10 in videocassette sales

1. **Flashdance** *(Paramount)*	—	1
2. **Jane Fonda's Workout** *(Karl)* GPI	2	15
3. **48 Hours** *(Paramount)*	1	3
4. **An Officer and a Gentleman** *(Paramount)* GPI	4	8
5. **Porky's** *(CBS/Fox)*	6	2
6. **Blade Runner** *(Embassy)*	—	5
7. **Grease** *(Paramount)* GPI	—	2
8. **Playmate Review** *(CBS/Fox)*	—	1
9. **Bad Boys** *(Thorn EMI)*	—	1
10. **High Road to China** *(Warner)*	3	3

Top 5 in CED videodisc sales

1. **48 Hours** *(RCA Videodiscs)*	1	2
2. **The Verdict** *(RCA Videodiscs)*	2	3
3. **Porky's** *(CBS/Fox)*	3	2
4. **The High Road to China** *(Warner)*	—	1
5. **The Toy** *(RCA VideoDiscs)*	4	3

Top 5 in laserdisc sales

1. **48 Hours** *(Paramount)*	1	3
2. **Firefox** *(Warner)*	—	1
3. **Porky's** *(CBS/Fox)*	3	2
4. **Superman II** *(Warner)*	5	2
5. **Annie** *(RCA/Columbia)*	—	1

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P —Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I —Golden Videocassettes award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

DISNEY

SOMETHING WICKED THIS WAY COMES (1983) From the novel by Ray Bradbury, this film shows the effect of the mysterious Mr. Dark and his Pandemonium Carnival on the good people of Green Town, IL. *Color G Stereo C: $69.95. LV: $34.95.*

KARL

JANE FONDA'S WORKOUT FOR PREGNANCY, BIRTH AND RECOVERY (1983) Based on the actress/activist's second bestselling book, this tape presents a fitness program developed by Fonda and Femmy DeLyser, a certified birth educator. *Color C: $59.95.*

WHY DO I CALL YOU SEXY? Beverly Hills, CA, hair stylist Jose Eber performs "make-overs" on 15 women aged 18 to 65. He also gives advice on hair styles and make-up for formal affairs, casual events, sports outings and business meetings. *Color 90 minutes C.*

MEDIA

LIQUID SKY (1983) A U.F.O. film with a difference. An alien visits the punkiest of Manhattan's New Wave crowds. *Color R 112 minutes C: $59.95.*

TIM (1979) Based on the novel by Colleen McCullough, author of the Thorn Birds, this film stars Piper Laurie, as an attractive 40-year-old businesswoman, and Mel Gibson, as a mentally retarded young man with whom she becomes intimately involved. *Color 94 minutes C: $59.95.*

THE TWELVE CHAIRS (1980) Mel Brooks wrote and directed this film set in post-revolutionary Russia. On her deathbed, a wealthy matron confesses she's hidden her jewelry in the upholstery of one of her twelve chairs, setting off an absurd search ranging from Siberia to Moscow. *Color PG 94 minutes C: $59.95.*

NFL FILMS

THE NFL FOLLIES GO HOLLYWOOD Who says sports fans don't have a sense of humor? This tape includes segments such as Airsport '83, which spoofs disaster films through footage of NFL passing attacks. *Color 23 minutes C: $39.95.*

THORN EMI

THE BEST OF THE BENNY HILL SHOW, VOL. 3 This TV series proved to Americans that the English don't always have good taste. Still, there were some who loved him. *Color 110 minutes C: $59.95.*

KATE BUSH, LIVE AT HAMMERSMITH (1979) Captures two shows at London's Hammersmith by the talented songwriter, vocalist, pianist and choreographer. *Color 52 minutes C: $49.95.*

TENDER MERCIES (1982) Stars Robert Duvall as Mac Sledge, a former country singer washed up by alcohol and hard living. This film depicts his way back to clean living, music and happiness. *Color PG 93 minutes C: $79.95.*

WARNER

ALICE COOPER: WELCOME TO MY NIGHTMARE (1975) Elaborate musical spectacle by "rock music's wizard of wierdness." *Color 66 minutes Stereo C: $29.98.*

THE BRAIN THAT WOULDN'T DIE (1963) A brilliant surgeon uses his powers to keep alive the head of his fiancee, who was decapitated in a car accident. *70 minutes C: $59.95.*

THE RAVEN (1963) This adaptation of Edgar Allen Poe's poem stars Vincent Price, Peter Lorrie, Boris Karloff and the young Jack Nicholson. *86 minutes C: $59.95.*

WHAT EVER HAPPENED TO BABY JANE? (1962) Classic thriller starring Bette Davis and Joan Crawford who play two sisters: one a former child star of vaudeville, the other a true Hollywood star who's been crippled in an accident. *B/W 132 minutes C: $59.95.*

VCI

CHAMPAGNE FOR CAESAR (1950) This comedy stars Ronald Colman and Vincent Price and depicts a man who might just clean out a company by winning the $40-million jackpot on a quiz show it sponsors. *B/W 90 minutes C: $39.95.*

D.O.A. (1949) Edmund O'Brien plays a real estate salesman whose life turns into a nightmare. He discovers he's been give a lethal, slow-acting poison and races against time and the Grim Reaper to find out whodunnit and why. *B/W 83 minutes C: $39.95.*

RAIN (1932) From the novel by W. Somerset Maugham, this film depicts a cynical prostitute (Joan Crawford) and the minister who trys to reform her (Walter Huston). *B/W 91 minutes C: $39.95.*

WORLDVISION

HOLOCAUST The Emmy-winning TV mini-series, starring Meryl Streep and Michael Moriarty, depicts the fate of two families in Nazi Germany. Three cassettes are included in a package, totaling 7½ hours of programming.

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